Survey on Federal Acquisition Management

Tracking Trends and Performance in Government Acquisition

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8 Critical Success Factors for Effective Acquisition Management

1. Align Acquisition & Sourcing Strategy to Organizational Goals
2. Define Sourcing Profile, Problems & Opportunities
3. Develop Market-based Solutions
4. Make Individual Solicitations “Performance-based”
5. Ensure Proper Competitive Environment
6. Ensure Proper Internal Project Management
7. Manage and Monitor Performance
8. Maintain a Highly Skilled and Ethical Acquisition Workforce

#1 - Aligning Organizational Sourcing & Acquisition Strategy to Organizational Goals

	Agree	Disagree	DK
1.1 Alignment of Acquisition to Mission **"Your organization has aligned its competitive sourcing strategy with the organizational mission and goals in order to improve performance or to achieve cost savings."**	73%	22%	5%
1.2 Acquisition Strategic Plan **"Your organization has distributed a well-defined contracting and service acquisition strategic plan that is fully integrated with its organizational strategic plan."**	60%	31%	4%
1.3 Alignment of Solicitations to Agency Goals **"Your organization uses contract solicitations to establish a clear link between what is being acquired and the goals & objectives of the organization."**	75%	21%	4%

Sample: 182 as of February 10, 2006

#2 - Define Sourcing Profile, Problems & Opportunities

	Agree	Disagree	DK
2.1 Strategic Sourcing Analysis **Your organization has analyzed its acquisition portfolio using strategic sourcing approaches to maximize cost savings (e.g. leveraged buying, etc.)**	49%	42%	9%
2.2 Meet or Exceed Internal Customer Expectations **Your organization has an acquisition function that continually meets or exceeds the expectations of its internal customers with regards to timeliness and quality.**	46%	44%	8%

Sample: 182 as of February 10, 2006

#3 Develop Market-based Solutions

	Agree	Disagree	DK
3.1 Market Research **Your organization conducts sufficient market research in order to improve the understanding of the solutions available and all alternative sourcing strategies.**	58%	40%	2%
3.2 Partnering with Vendors on "Solutions Development" **Your organization is open to partnering with vendors to craft collaborative solutions and innovative responses to your organization's acquisition solicitations.**	76%	22%	2%
3.3 Provide Flexibility to Vendors for Innovative Solutions **Your organization gives contractors sufficient discretion on how to best craft solutions (e.g. the SOO approach) to achieve your organization's goals.**	82%	16%	2%
3.4 Supplier Relationship Management **Your organization has developed a relationship management plan to foster ongoing collaboration between your organization and its vendors.**	48%	44%	8%

Sample: 182 as of February 10, 2006

#4 Make Individual Solicitations "Performance-based"

	Agree	Disagree	DK
4.1 Well-Defined Performance Measures **Your organization designs contracts that are performance-based by incorporating well-defined performance measures.**	49%	47%	4%
4.2 Performance Baselines **Your organization defines clear baselines for current performance, cost, and quality before bids are examined.**	66%	30%	4%
4.3 Past Performance Evaluation **Your organization carefully selects the ideal contractor based on past performance and their proven ability to achieve contract objectives.**	48%	50%	2%

Sample: 182 as of February 10, 2006

#5 Ensure Proper Competitive Environment

	Agree	Disagree	DK
5.1 Inter-Agency Contract Vehicles **Your organization fully and appropriately utilizes all interagency vehicles and GSA schedules available to the organization.**	57%	37%	6%
5.2 Bid Protests **Your organization rarely loses a bidding protest if and when it is ever cited for failure to adhere to competitive bidding standards.**	66%	20%	14%

Sample: 182 as of February 10, 2006

#6 Ensure Proper Internal Project Management

	Agree	Disagree	DK
6.1 Project Risk Assessment **Your organization accurately determines and attempts to mitigate the project risk associated with each acquisition up front.**	64%	33%	3%
6.2 Project Management Skills **Your organization applies modern project management techniques (e.g. Earned Value Management) for managing its contracts.**	56%	41%	3%

Sample: 182 as of February 10, 2006

#7 Manage and Monitor Performance

	Agree	Disagree	DK
7.1 Contract Monitoring and Management **Your organization closely monitors contract delivery against performance measures incorporated within the contracts.**	45%	49%	6%
7.2 Incentives for Continual Improvement **Your organization incorporates financial and non-financial incentives into contracts to promote continuous contractor improvement (e.g. gain share bonuses, award term credits).**	34%	62%	4%

Sample: 182 as of February 10, 2006

#8 Maintain a Highly Skilled and Ethical Acquisition Workforce

	Agree	Disagree	DK
8.1 Cross-Functional Acquisition Team **Your organization takes a team-based approach towards acquisition using input from the program/support function involved in the project (i.e. IT, HR, Financial Mgt).**	71%	25%	4%
8.2 Clear Ethical Framework **Your organization has developed and monitors internal standards of ethical conduct for the awarding and management of all contracts.**	70%	28%	2%

Sample: 182 as of February 10, 2006

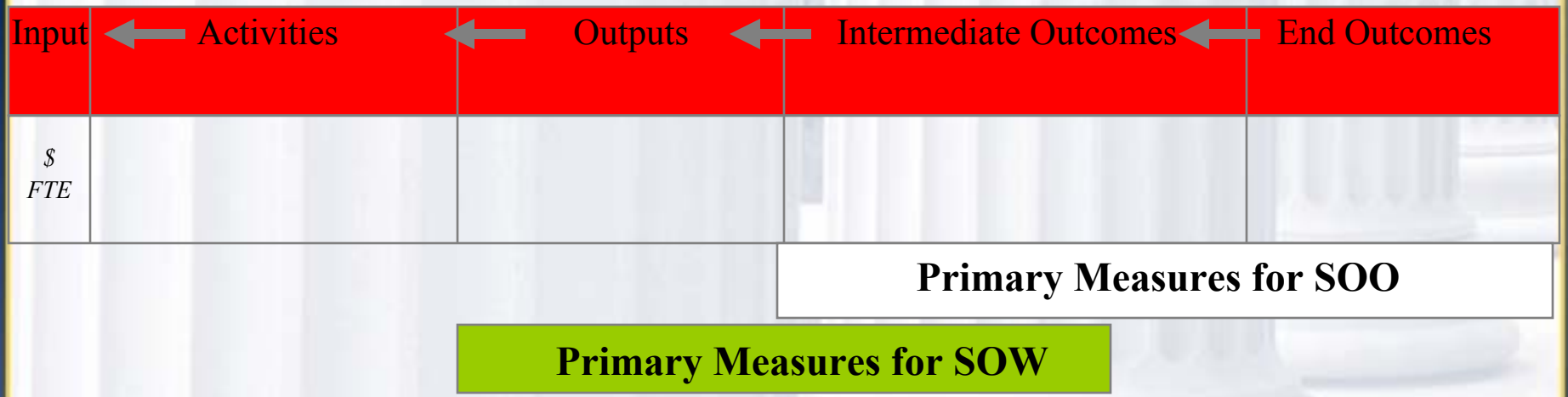
Observations on SARA Panel Findings

- **Finding 1: Despite OMB Target, Agencies Remain Unsure When to Use PBSA**
- **Finding 2: PBSA Solicitations & Contracts Continue to Focus on Activities and Processes, Rather than Performance and Results**
- **Finding 3: PBSA's Potential for Generating Transformational Solutions To Agency Challenges Remains Largely Untapped**
- **Finding 4: Within Federal Acquisition Functions, There Still Exists a Cultural Emphasis on "Getting to Award"**
- **Finding 5: Post-Award Contract Performance Monitoring and Management Needs to Be Improved**
- **Finding 6: Most Contract Incentives Are Still Not Aligned to Maximize Performance and Continuous Improvement**
- **Finding 7: FPDS Data Are Insufficient and Perhaps Misleading Regarding Use and Success of PBSA**

Improving Implementation of Performance-based Acquisition

- Sliding Scale on Use of PBSA
  - Greater emphasis on using approach for complex acquisitions where innovative solutions development is desired
- Improved Training in PBSA Techniques (Performance Measurement and Monitoring)
- “COPR” Role in the Acquisition Team
- FPDS Reforms: Need for Two-Way Acquisition Data System (Getting Beyond Oversight!)

Building a Performance-Based Contract
Seven Steps Using the Logic Model



- **Step 1: Establish the Contracting Team**
- **Step 2: Identify Scope and Anticipated End Outcomes**
- **Step 3: Examine Private-Sector and Public Sector Solutions**
- **Step 4: Select Performance Measures (Intermediate Outcomes, Outputs and Work Processes)**
- **Step 5: Develop a PWS or SOO**
- **Step 6: Select Contractor**
- **Step 7: Monitor and Manage Performance**



It’s NOT just about MEASURES!



STRATEGIZE

COMMUNICATE

MOTIVATE

MANAGE