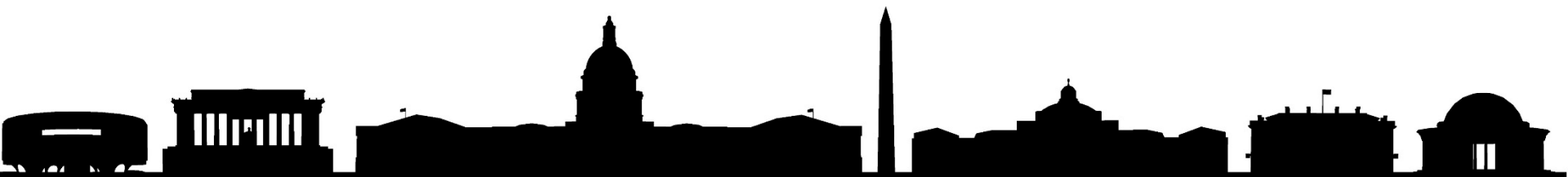


APMP-NCA MID-ATLANTIC  
CONFERENCE & EXPO 2015

## Navigating the Procurement Obstacle Course

# Procurement Innovation: Get Ready for What's Coming



# Panel Participants

- **Joanie Newhart, CPCM, Associate Administrator for Acquisition Workforce Programs.** OFPP is responsible for developing and implementing acquisition policies to support over \$450 billion in federal procurements each year. As the Associate Administrator, Newhart is the point woman for one of the top priorities of the Obama administration's procurement reform agenda: finding ways to hire and train acquisition employees, especially when agencies are attempting to increase their workforces. Newhart has worked in government procurement for 30 years. She has held senior procurement executive positions at several departments, including the Small Business Administration and the Transportation Department. Prior to moving to OFPP, Newhart was a senior adviser on acquisition workforce issues at the General Services Administration.
- **Victor Deal, Senior Analyst, DoD for Contract Policy and International Contracting.** Prior to joining the Pentagon staff in 2010, he was the Deputy Assistant Director for Procurement, Grants, and Loans at the Recovery Accountability and Transparency Board in Washington, DC. His assignments include being a procuring contracting officer for the GPS satellite program in Los Angeles, CA and the Deputy Chief of Contracts for oil while on a deployment in Baghdad, Iraq. Victor holds a Master of Business Administration from Cal Poly Pomona and a Bachelor of Science from the Air Force Academy.



# Panel Participants

- **Bridget Gauer, Deputy Director, NIH-NITAAC.** Ms. Gauer supports Mr. Robert Coen, Director of NITAAC in setting the strategic vision for the NIH GWAC program, which consists of three vehicles valued at \$50 billion. The goal of the NITAAC program is to be the preeminent “go-to” provider of quality IT products and services to the federal government. Ms. Gauer comes to NITAAC with over 20 years of acquisition and leadership experience. Most recently she served as the Division Director for the HHS Assistant Secretary for Preparedness and Response (ASPR) of contracts and the Acting Director for the Acquisition Program Support Division within the Acquisition Management, Contracts, and Grants office. Prior to joining HHS, Ms. Gauer served as the chief of contracts for the Federal Communications Commission (FCC).
- **Dave Zvenyach, Acquisition Management Director of 18F Consulting, GSA.** Mr. Zvenyach most recently served as the general counsel to the Council of the District of Columbia. Before that, he served as chief of staff to D.C. Councilmember Mary Cheh and clerked for a federal district judge. Now at 18F Consulting, he is currently focused on ways to improve the ways the government purchases digital services. With a bachelor’s degree in mechanical engineering and a law degree, he is unique in that he’s been a government lawyer who has written code and he’s a coder who has written legal briefs.



# Procurement Initiatives

## **Initiatives:**

- Category Management
- Better Buying Power (BBP) 3.0
- Agile Procurement
- HHS Buyers Club
- Other Government Initiatives

# Category Management

- Strategic Sourcing is morphing into Category Management.
- Category Management is a purchasing approach where spend is organized into common categories and managed strategically.
- Category management brings together expertise from industry and government grouped by product or service to give all government buyers a more holistic view of the landscape.
- By using common categories, the government will be able to build subject matter expertise and conduct market and data analysis which leads to more informed spending and government-wide savings.

# Better Buying Power (BBP) 3.0

- DoD's Mandate To Do More Without More.
- Better Buying Power (BBP) is the implementation of best practices to strengthen the Defense Department's buying power, improve industry productivity, and provide an affordable, value-added military capability to the Warfighter.
- Launched in 2010, BBP encompasses a set of fundamental acquisition principles to achieve greater efficiencies through affordability, cost control, elimination of unproductive processes and bureaucracy, and promotion of competition.
- BBP initiatives also incentivize productivity and innovation in industry and Government, and improve tradecraft in the acquisition of services.

# BBP 3.0: 7 Focus Areas

1	Achieve Affordable Programs	Conducting a program at a cost constrained by the maximum resources the Department can allocate for a capability. These resources include funding, schedule and manpower.
2	Control Costs Throughout the Product Lifecycle	The ability to understand and control future costs from a program's inception is critical to achieving affordability requirements.
3	Incentivize Productivity and Innovation in Industry and Government	Reward contractors for successful supply chain and indirect expense management.
4	Eliminate Unproductive Processes and Bureaucracy	Unnecessary and low-value added processes and document requirements are a significant drag on acquisition productivity and must be aggressively identified and eliminated.
5	Promote Effective Competition	Real competition is the single most powerful tool available to the Department to drive productivity.
6	Improve Tradecraft in Acquisition of Services	The substantial amount of money spent on contract support services demands a management structure to strategically source these goods and services
7	Improve the Professionalism of the Total Acquisition Workforce	It is the duty of the acquisition workforce to conduct itself with excellence, responsibility, integrity and accountability

# “Agile Procurement”

## – From the TechFAR Handbook:

- Agile is not a method of procurement, but a methodology on how the contractor performs the work.
- The FAR specifically encourages agencies to pursue business process innovations and makes clear that they should not be constrained by the lack of specific endorsement for a particular practice.
  - In particular, FAR 1.102-4(e) states that if a policy or procedure is not specifically addressed in the FAR nor prohibited by law, Executive Order or other regulation, agencies should not assume it is prohibited.<sup>9</sup> “Rather, absence of direction should be interpreted as permitting the Team to innovate and use sound business judgment that is otherwise consistent with law and within the limits of their authority.”



# “Agile Procurement”

## – An Agile Fixed Price Scenario:

- In an Agile contract, the supplier and the customer together define their common assumptions in terms of the business value, implementation risks, expenses (effort) and costs.
- On the basis of these assumptions, an indicative fixed price scope is agreed upon, which is not yet contractually binding.
- This is followed by the test phase (checkpoint phase), during which the actual implementation begins.
- At the end of this phase, both parties compare the empirical findings with their initial assumptions.
- Together, they then decide on the implementation of the entire project and fixate the conditions under which changes are allowed to happen.

# HHS Buyers Club

- The HHS Buyers Club is a HHS IDEA Lab sponsored project focused on addressing a critical problem in government: modernizing federal acquisition of information technology (IT) and related services.
- How the HHS Buyers Club is different:
  - Focus on entire acquisition process, not only the procurement aspect
    - Effective acquisitions require collaborative strategic planning, market research and testing, procurement, implementation, close-out, and feedback.
    - Successful acquisition (of all aspects) is more important than one piece.
  - Development and experimentation of new models.
    - Re-engineering the acquisition process so that it's inclusive of all stakeholders
    - Consistent involvement by mission/end users for decision-making
  - Learning Lifecycle – IT continuously evolves, requiring education & engagement.
    - Continuous collaboration and sharing of resources for the benefit of all

# Other Government Initiatives

## – U.S. Digital Service

- An internal management consultancy focused on addressing digital gaps and weaknesses while providing guidance and strategy to fix them. That being said, it's not going to deploy staff to perform the work since both internal and external IT personnel will be able to do so.

## – Digital Services Playbook

- This document provides successful best practices (or “plays”) for digital services to be used as effective guidance for agile implementation and goes hand-in-hand with the TechFAR. Given the many challenges of our digital services projects, use of this playbook should contribute to higher project success.

## – TechFAR Handbook (TechFAR)

- The TechFAR highlights the flexibilities in the Federal Acquisition Regulation (FAR) that can help agencies implement “plays” from the Digital Services Playbook while allowing contractors to utilize an iterative, customer-driven software development process, which is successful in the private sector.
- Modular contracting and agile implementation is supported by the FAR and explained in this valuable resource for procurement and other stakeholders.

## – Innovative Contracting Case Studies

- We are using material from this document to develop new acquisition models, test methods, and educate stakeholders.

## – Federal-wide Buyers Club

- All Federal government employees with an interest in this topic are invited to join a community of practice around innovative acquisition by signing up for the new “Buyers Club” email group (open to all .gov and .mil email addresses).



# Thank You!

## Public Google Group

(<https://groups.google.com/forum/#!forum/procurement-innovation>)

- Public forum for anyone interested in discussing the newly-released Innovative Contracting Case Studies

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APMP's PIC mission is to work collaboratively with U.S. Government and Industry to improve the efficiency and effectiveness of Federal procurement. The focus is on improvement, rather than reform, to make continual progress. The goal is to develop *actionable recommendations to increase standardization, reduce cycle time, decrease cost, and have fewer protests.*