



## Improve Management of Major Acquisitions

### Goal Leaders

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## Goal Statement

Federal agencies will ensure that contracts supporting transformative and other priority projects will meet or beat delivery schedules, provide exceptional customer service, and achieve savings or cost avoidance for the taxpayer.



## Challenge

Major acquisitions, which are often over \$50 million, account for approximately one-third of annual contract spend and often support transformative, high risk or other mission critical priorities -- from providing timely action on veterans health benefits to securing government infrastructure and verifying employment eligibility.

Too often, initiatives to transform government are unnecessarily put at risk of failures because:

- Many Federal program managers lack the skills to successfully manage large and complex acquisitions.
- Acquisition processes remains captive to a risk averse culture that rewards compliance over creativity.
- Program management is undervalued and applied inconsistently across agencies.

## Opportunity

Ensure every agency is on track in successfully achieving at least 2 transformational or other priority program goals through well managed major acquisitions.



Work with early adopters on pilot efforts which could include upgrade hospitals for better veterans care, modernize an integrated and efficient census, and improve loan program operations for borrowers.





# Goal Structure

Federal agencies will ensure contracts supporting transformative and other priority projects will meet or beat delivery schedules, provide exceptional customer service, and achieve savings or cost avoidance for the taxpayer.



**STRATEGY 1:**  
**Strengthen Talent Capabilities**

*Train and develop the workforce and foster critical thinking.*

**STRATEGY 2:**  
**Strengthen Agency Governance**

*Strengthen acquisition lifecycle reviews and use innovative practices and resources.*

**STRATEGY 3:**  
**Track Investments Using Portfolio Management Principles**  
(Implement PMIAA)

*Develop program/project management capabilities and a Federal dashboard.*



**INTEGRATION OF STRATEGIES**

**Apply the above strategies to transformational and other priority projects supported by major acquisitions.**





## Strategy 1: Strengthen Talent Capabilities

- **Approximately 150** acquisition professionals certified in digital IT.
- Program management certifications made available for both DoD and civilian agency program managers.
- IT specialization available for civilian agency program managers.
- GSA led a multi-agency, cross-functional effort in developing the first 4 modules of the critical thinking class. These classes are available for the workforce.
- A virtual instructor-led capstone class is being developed to include case studies and experiential exercises.
- FAI and PM Functional Advisory Board (FAB) looked at DoD and civilian agency acquisition PM competencies and recommended how to better align them.
- FAI, in conjunction with the FedPM Community of Practice and PM FAB, gathered existing PM resources into a one-stop PM toolkit.
- The CAO Council made the second annual award for PM excellence at the Executive Leadership Conference in October 2019.
- OPM issued regulations and guidance on PM job series.
- OPM developed PM competencies based on earlier work in this area.
- OPM issued a series of memorandums providing guidance to agencies which implement provisions of OMB Memo M-18-19 and the PMIAA designed to strengthen the Federal program and project management workforce.
  - [Memo dated April 5, 2019](#) identifying the key skills and competencies needed by Program and Project Managers.
  - [Memo dated May 2, 2019](#) updating the Program Management 0340 Series and providing interpretive guidance for project management positions.

## Strategy 2: Strengthen Agency Governance

- Issued guidance for implementing the Program Management Improvement Accountability Act (PMIAA) in OMB Memo [M-18-19](#).
- Each agency has designated a Program Management Improvement Officer (PMIO).
- CFO Act agencies submitted their PMIAA Implementation plans, establishing their framework and approach for strengthening program management capabilities and completing projects successfully.
- The Program Management Policy Council (PMPC) convened September 24 for the second bi-annual meeting of 2019.





## Strategy 3: Track Investments Using Portfolio Management Principles

- Initial portfolio reviews were conducted with –
  - SSA (improper payments)
  - NASA (flight programs)
  - DOT (Federal highways)
  - NSF (major facilities in design and construction)
  - DOC (census, satellites, ships)
  - USAID (medical supplies)
  - DHS (multirole enforcement aircraft)
  - GSA (public building design and construction)
  - HUD (special studies)
  - DOL (worker training)
- Although agencies are at different levels of maturity in their use of portfolio and program management, agencies were able to illustrate practical applications of program management to priority mission initiatives.
- One-on-one meetings were held with DHS, DOC, DOE, DOI, DOJ, DOL, DOT, ED, EPA, GSA, HUD, NASA, NSF, OPM, SBA, SSA, State, Treasury, USAID, USDA and VA to discuss their initial portfolio structure and transformative initiatives on which they are focused.
- OMB continued to develop and share resources and tools to help facilitate the agency meetings including the PMIAA portal, a program management maturity model survey developed by VA, a program management checklist and examples of a portfolio structure and an acquisition program management framework.
- Video posted discussing VA's use of program management to support the successful completion of a new medical facility for Veterans in New Orleans.
- Completed a pilot for non-IT major acquisitions designed to facilitate internal decision-making and dialogue between OMB and agencies.





# Strategy 1: Strengthen Talent Capabilities

## Competencies/Skill Gaps

**Job Series:** OPM will issue guidance on a job identifier for PMs to be added to their existing job series.

**Competency Survey:** OPM performs a competency survey to identify gaps and recommends government-wide training to close gaps.

**Align Competencies:** FAI and PM Functional Advisory Board (FAB) look at DoD and civilian agency acquisition PM competencies and recommend how to better align them.

## Training and Development

**Career Path:** OPM to issue regulations, guidance and policy on PM career path.

**Training:** FAI will pilot online cross-functional training classes on critical thinking in the acquisition lifecycle and develop a capstone course that uses case studies and experiential learning.

**Agency PM Development Strategies:** PMIOs will identify strategies to develop agency PMs to their fullest potential and ensure a strong, competitive pool of PMs are ready to assume senior PM positions.

**Mentoring:** PMIOs will work with agency CHCOs to develop and implement a mentoring strategy for agency PMs.

**Recognition:** The CAO Council will recognize Federal PM excellence with an annual award.

## Job Aids

**One-Stop PM Toolkit:** FAI, in conjunction with the FedPM Community of Practice and PM FAB, will gather existing PM resources into a one-stop PM toolkit.

**Agency Specific Resources:** Each PMIO will establish a website with agency-specific tools and resources for PMs.





# Key Milestones

## Strategy 1- Strengthen Talent Capabilities

| Key Milestones   | Milestone Due Date | Milestone Status | Change from last quarter | Owner          | Anticipated Barriers or other Issues Related to Milestone Completion |
|--|--------------------|------------------|--------------------------|----------------|--|
| <b>Competencies/Skill Gaps</b>   |                    |                  |                          |                |  |
| Provide a recommendation on how to better align civilian agency and DoD PM competencies.               | October 2019       | Complete         | Status Updated           | FAI and FAB    |  |
| Issue regulations and guidance on PM job series and/or job series identifier.                          | Dec. 2019          | Complete         | No Change                | OPM            |  |
| <b>Training and Development</b>  |                    |                  |                          |                |  |
| Establish an annual PM award.  | October 2018       | Complete         | No Change                | CAOC           |  |
| Develop PM competencies and perform a competency survey.   | March 2019         | Complete         | No Change                | OPM            |  |
| Develop 4 online cross-functional training classes in critical thinking for acquisition professionals. | October 2019       | Complete         | No Change                | FAI            |  |
| <b>Job Aids</b>  |                    |                  |                          |                |  |
| Update existing sites to include government-wide PM tools and resources.                               | October 2019       | Complete         | No Change                | FAI            |  |
| Update existing sites to include agency specific PM tools and resources.                               | Feb. 2020          | On Track         | New                      | PMIOs          |  |
| Review agency strategy and progress toward strengthening PMs at portfolio review.                      | March 2020         | On Track         | No Change                | OFPP and PMIOs |  |





## Strategy 2: Strengthen Agency Governance

- **Program Management Policy Council (PMPC):** The PMPC will focus on improving agency practices, the workforce and high risk programs.
- **Program Management Improvement Officers (PMIOs):** Each agency will designate a senior executive to develop strategy and implement program management policy.
- **Enterprise Program Management Office (PMO):** Agencies will establish an enterprise PMO or equivalent functionality to establish standards and monitor the progress of major acquisitions.
- **Acquisition Review Boards:** Agencies should have review boards that that help integrate program management and acquisition activities, manage to standards, help to ensure projects are well planned, monitor progress and, as appropriate, approve changes.

*Note:* Milestones were adjusted to allow for more tailored agency implementation reflecting the wide variation in program management maturity across agencies.





# Key Milestones Strategy 2 – Strengthen Agency Governance

| Key Milestones   | Milestone Due Date | Milestone Status | Change from last quarter | Owner  | Anticipated Barriers or other Issues Related to Milestone Completion |
|--|--------------------|------------------|--------------------------|--------|--|
| Include governance in the Federal implementation guidance (OMB Memo M-18-19) | June 2018          | Complete         | No Change                | OMB    |  |
| Appoint agency PMIOs   | June 2018          | Complete         | No Change                | Agency |  |
| Initial PMP Council Meeting  | Sept 2018          | Complete         | No Change                | Agency |  |
| Agencies submit PMIAA implementation plans                                   | Nov. 2018          | Complete         | No Change                | Agency |  |
| Annual Strategic Reviews   | July 2019          | Complete         | No Change                | OMB    |  |
| 2019 Bi-annual PMP Council Meetings  | Sept 2019          | Complete         | No Change                | OMB    |  |
| First Bi-annual PMP Council Meeting of 2020                                  | April 2020         | On Track         | New                      | OMB    |  |





## PMIAA Implementation Plans and Maturity Assessments

### Key Takeaways and Promising Practices

#### **Governance**

- Majority of agencies identified and discussed the organization and role of an established or planned enterprise PMO, Agency IRB, or equivalent with planning and review authorities for acquisitions

#### **Portfolio Management / Reviews**

- All but a handful of agencies were able to illustrate the logic model showing how program/project portfolios mapped to support the agency's strategic goals or objectives

#### **Talent Management**

- Existing mentorship programs established in more functionally aligned-management fields (e.g., IT, acquisition) being expanded to include broader range of management career paths
- Centers of Excellence being planned to take on more central, coordinating role for the agency while surveys of skill assessments are being utilized to inventory current workforce competencies to inform needs and future development efforts





## Strategy 3: Track Investments Using Program Management Principles

- **Terminology:** Key terms are defined (program, project, major).
- **Portfolio management:** Portfolios support strategic goals and objectives & major acquisitions are organized in portfolios.
- **Standards:** Program/project management standards are established.
- **Data:** Performance data is collected & progress is tracked on a dashboard.
- **Reviews:** Portfolio reviews are conducted at least annually.

*Note:* Milestones were adjusted to allow for more tailored agency implementation reflecting the wide variation in program management maturity across agencies.





# Key Milestones Strategy 3 – Track Investments Using Portfolio Management Principles

| Key Milestones   | Milestone Due Date | Milestone Status | Change from last quarter | Owner          | Anticipated Barriers or other Issues Related to Milestone Completion   |
|--|--------------------|------------------|--------------------------|----------------|--|
| <b>Government wide guidance</b>  |                    |                  |                          |                |  |
| Include portfolio management in the Federal implementation guidance (OMB Memo M-18-19) | June 2018          | Complete         | No Change                | OMB            |  |
| <b>Policy Execution</b>  |                    |                  |                          |                |  |
| Develop a portfolio management dashboard prototype                                     | Dec 2018           | Complete         | No Change                | OMB and GSA    |  |
| Pilot portfolio management for non-IT major acquisitions                               | Dec 2018           | Complete         | No Change                | Pilot agencies |  |
| Create resources, tools and examples to assist agency implementation                   | Feb 2019           | Complete         | No Change                | OMB            |  |
| Conduct one-on-one meetings with selected agencies                                     | May 2019           | Complete         | No Change                | OMB            |  |
| Conduct initial acquisition portfolio reviews with OFPP                                | June 2019          | Behind           | No Change                | OMB            | Some agencies have sought additional time to work on their portfolio structures and identify priority projects for review. |





# Agency by Agency Indicators: Sample Major Acquisition Dashboard

| Agency Initiatives               | Contract(or) Performance Metrics            |
|----------------------------------|---|
| Integrated Project Strategy      | Cost Variance                               |
| Innovation Approach              | Schedule Variance                           |
| Major Acquisition Review Results | Performance Results & Customer Satisfaction |

Initially for use by agency and OMB and other authorized agencies





## **Federal Agencies:**

- CFO Act Agencies

## **Organizations:**

- Chief Acquisition Officers, Chief Information Officers, Chief Performance Officers
- Acquisition Innovation Advocates, Innovation Communities, Procurement Attorneys
- Federal Acquisition Institute, Defense Acquisition University

## **Program Activities:**

- US Digital Services, GSA Technology Transformation Service (TTS), digital services' offices
- Digital Information Technology Acquisition Professional Training (DITAP) graduates

## **Policy:**

- Program Management Improvement Accountability Act Implementation Guidance
- OMB Memo on acquisition innovation, March 2016
- OMB Memo on 8(a) digital initiative, January 2017
- President's Reorganization Executive Order, April 2017

## **Statutes:**

- Program Management Improvement Accountability Act, December 2016
- Federal Information Technology Acquisition Reform Act, December 2014





# Appendix





## Major Acquisitions

### Federal Acquisition Institute and Defense Acquisition University

- Federal Acquisition Institute Board of Directors
- Chief Human Capital Officers Council
- Chief Learning Officers Council
- CIO Council Workforce Committee



Catalysts for strengthening workforce capabilities.

### Chief Acquisition Officers Council

- OFPP Administrator
- Acquisition Innovation Advocates Council
- COs certified in IT (DITAP)
- USDS, 18F, Agency Digital Strategists
- Innovation Communities of Practice
- Procurement Attorneys Roundtable



Catalysts for using modern and innovative acquisition flexibilities.

### Program Management Policy Council

- OMB DDM
- OMB Management Office Administrators and Resource Management Officers
- Agency Program Management Information Officers
- Federal Program/Project Manager Community of Practice



Catalysts for leveraging portfolio, program and project management principles.



# Acquisition Techniques

Agency documents use case on Acquisition Innovation Hub and promotes rapid information sharing.



May be particularly helpful for: IT ■ Services ■ R&D/Emerging Technologies ■ General ■





## Acquisition Outcomes

- Shortened time to delivery, such as through incremental delivery of new functionality for major software products.
- Increased stakeholder satisfaction, both internal and external, demonstrated through higher contractor average past performance for major acquisitions in portfolio and delivery of improved service/technology.
- Eliminated duplicative contracts.
- Achieved savings/cost avoidance for major acquisitions in portfolio.
- Decreased percentage of change orders.
- Completed number of backlog items.





- Perform portfolio management preparation activities.
- Identify first portfolio of major acquisitions.
- Align portfolio with agency strategic goals.
- Collect performance data for each item in the portfolio.
- Identify obstacles to full implementation of portfolio, program, and project management.
- Establish data feeds from original sources to federal portfolio management dashboard to minimize agency reporting burden.
- Conduct an acquisition portfolio review with OFPP.





## Pilot for non-IT Major Acquisitions

(Examples are illustrative and may change)

### VA

Upgrade hospitals  
for better veteran care

### Commerce

Modernize  
an integrated and  
efficient census

### Education

Improve loan program  
operations  
for borrowers

