



## 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 adverse 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

- **60** 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 Phase I of the critical thinking class.
- 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 April 12.
  - OPM provided an update on the pending PM 0340 job series update and career path guidance.
  - OMB briefed a summary overview of agency PMIAA Implementation plans.
  - VA and NSF presented their approach to strengthening program management capabilities through PMIAA implementation.





## Strategy 3: Track Investments Using Portfolio Management Principles

- One-on-one meetings were held with DHS, DOE, DOJ, DOT, NASA, NSF, SSA, USDA and VA to discuss their initial portfolio structure and transformative initiatives on which they are focused.
- An internal portfolio review was conducted with SSA which included discussion of the improper payments portfolio.
- 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.
  - DOE, NSF and VA completed a portfolio management pilot which included a first draft of a portfolio structure for major construction projects.
  - GSA completed the development of the prototype of the Portfolio Management Dashboard with assistance from NSF and VA.





# Strategy 1: Strengthen Talent Capabilities

## Competencies/Skill Gaps

**Job Series:** OPM to issue regulations and guidance on PM job series and/or job series identifier

**Competency Survey:** OPM develops PM competencies based on earlier work in this area. 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 to pilot a cross-functional training class on critical thinking in the acquisition process. Develop more experiential learning and simulation coursework for critical skills, such as hard bargaining.

**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 establish an annual award to recognize federal PM excellence.

## Job Aids

**One-Stop PM Toolkit:** FAI, in conjunction with the FedPM Community of Practice and PM FAB, shall 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>					
Better align civilian agency and DoD PM competencies.	October 2019	On Track	No Change	FAI and FAB	
Issue regulations and guidance on PM job series and/or job series identifier.	Dec. 2019	Complete	Better	OPM	OPM work will now shift to exploring job series identifier
<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 a cross-functional training class in critical thinking for acquisition professionals.	October 2019	On Track	No Change	FAI	
<b>Job Aids</b>					
Update existing sites to include both government-wide and agency specific PM tools and resources.	October 2019	On Track	No Change	FAI and 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	Better	Agency	
Initial PMP Council Meeting	Sept 2018	Complete	Better	Agency	
Agencies submit PMIAA implementation plans	Nov. 2018	Complete	No Change	Agency	
Bi-annual PMP Council Meeting	April 2019	Complete	New	OMB	
Annual Strategic Reviews	July 2019	On Track	No Change	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	December 2018	Complete	Better	OMB and GSA	
Pilot portfolio management for non-IT major acquisitions	Dec. 2018	Complete	Worse	Pilot agencies	Pilot completion was delayed due to shutdown
Create resources, tools and examples to assist agency implementation	Feb. 2019	Complete	New	OMB	
Conduct one-on-one meetings with selected agencies	May 2019	Behind	New	OMB	Scheduling of reviews delayed due to shutdown
Conduct initial acquisition portfolio reviews with OFPP	June 2019	Behind	Worse	OMB	Scheduling of reviews delayed due to shutdown





## 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

\*Additional information on the pilot is included in the appendix





# 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 ■ 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.

