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GOVERNMENT EXECUTIVES



FEDERAL ROADMAP

CAO



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This Federal Roadmap was developed as a cooperative effort by the Partnership for Public Service, ASI Government, Inc., and members of the Partnership's *Strategic Advisors to Government Executives* (SAGE) program. It is designed to provide a strategic vision, conveying key principles for CAOs in pursuing optimization of the acquisition function and a framework of the CAO's primary activities.

For a more detailed exploration of these topics, see the accompanying in-depth Advisory, "A Message to Chief Acquisition Officers: Key Principles for Optimizing the Acquisition Function."

Federal agencies spend more than \$500 billion a year acquiring goods and services to support their programs and missions. Approximately one out of every six dollars agencies spend is through acquisition, and in some cases, acquisition can represent up to 80 percent of an agency's discretionary budget. With numbers this large, it is critical that the acquisition function, processes and workforce be optimized to ensure the government gets the best value for every taxpayer dollar spent.

The importance of the Chief Acquisition Officer (CAO) role cannot be overstated. Federal CAOs provide the leadership, vision, and direction to ensure the acquisition function within their agency is optimized.

Federal acquisition and the importance of the CAO role

With responsibility for leading and managing the way the government leverages the capabilities of the commercial sector—and the buying power of the government—to best support the mission within a tight budget environment, the CAO has an extremely important role to play in today's government.

The success of an agency's strategic approach to acquisition and its execution can make the difference between achieving the mission.

Acquisition plays a role in most—if not all—of the government's key initiatives. For the government to implement its digital strategy, acquisition must be involved. To transition from agency-hosted information technology to cloud-based approaches, acquisition must be involved.

To be a strategic enabler, acquisition cannot be an afterthought. It must hold a strategic seat at each agency's leadership table.

Too often, when someone mentions acquisition, thoughts immediately go to procurement (also referred to as contracting). But acquisition is far more than procurement. Acquisition—sometimes called “Big A” acquisition to draw the distinction—encompasses the entire life cycle that starts when a program identifies a need for external resources, and continues until the services or supplies are delivered, accepted, and paid for. Procurement is just one part of the acquisition process, focused substantially on soliciting proposals and awarding contracts.

It is up to CAOs to educate agency leadership, including fellow chief officers in counterpart functions, about the strategic role acquisition plays. The key principles and the framework of activities outlined in this roadmap can help guide you in this pursuit.

History and intent of the CAO role

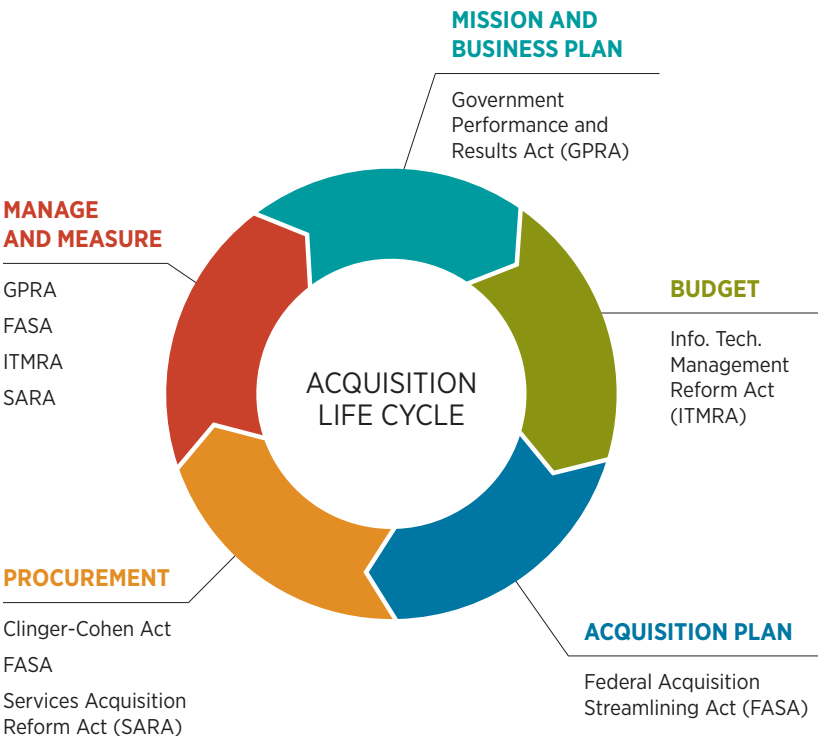
The CAO role is relatively new to the executive ranks of government and continues to evolve.

In 2003, the Services Acquisition Reform Act established the chief acquisition officer (CAO) position for civilian agencies—as a noncareer political appointee—and directed that agency senior procurement executives (SPEs) report directly to the CAO (or serve as both the CAO and SPE). It also required that CAOs have acquisition as their primary duty.

A July 2012 study by the Government Accountability Office (GAO) found that (1) few current CAOs have acquisition management as their primary duty; (2) many agencies have not clearly defined the roles and responsibilities of the CAO; and (3) the majority of agencies had “acquisition-related issues identified as a major management challenge by their inspectors general. In addition, a majority of CAOs reported that they delegate day-to-day responsibility for all eight CAO acquisition management functions outlines in SARA to the SPE or to other senior procurement officials.

In October 2012, the Office of Federal Procurement Policy issued a memorandum for CAOs and SPEs, asking them to work together to define the CAO’s roles and responsibilities within their agency, focusing on those issues that will have the biggest impact on the agency’s ability to meet its mission effectively and efficiently.

The reality of acquisition today is that while Congress permitted the CAO function to be a collateral duty for an existing appointee, given the magnitude and complexity of the government’s expenditure of taxpayer dollars and the sensitivity surrounding it, CAOs need to be full-time, dedicated appointees, with—as required by law—acquisition as their primary duty.



Acquisition required duties and framework for the CAO

Per the Services Acquisition Reform Act of 2003 and later related legislation, a federal CAO's required responsibilities include:

- Monitoring the performance of agency acquisition activities
- Advising the agency head on the appropriate business strategy to meet the agency's mission
- Increasing the use of full and open competition in agency acquisitions
- Increasing the appropriate use of performance-based contracting and performance specifications
- Making acquisition decisions consistent with applicable laws
- Managing the direction of acquisition policy for the executive agency
- Establishing clear lines of authority, accountability, and responsibility for acquisition decision-making
- Developing and maintaining an acquisition career management program
- Conducting internal control reviews of the acquisition function in accordance with OMB Circular A-123

The Government Accountability Office (GAO) published a "Framework for Assessing the Acquisition Function at Federal Agencies" in 2005 that provides a useful structure for organizing and evaluating how effectively an agency's acquisition function is working. In 2008, OFPP directed agencies subject to the CFO Act to use this framework in assessing the efficiency and effectiveness of their internal controls under OMB Circular A-123.

The framework is organized into four cornerstones that together promote an efficient, effective and accountable acquisition function:

1. **Organizational alignment and leadership**

The appropriate placement of the acquisition function in the agency, with stakeholders having clearly defined roles and responsibilities and committed leadership to enable officials to make strategic decisions that achieve agency-wide acquisition outcomes.

2. **Policies and processes**

Clear and transparent policies and processes that are implemented consistently to govern the entire acquisition life cycle, with a focus on achieving intended results.

3. **Human capital**

Development and implementation of a strategic human capital approach to attract, develop and retain talent.

4. **Knowledge and information management**

Knowledge and information systems and policies to provide credible, reliable and timely data to make acquisition decisions.

ROADMAP OF ANNUAL CAO ACTIVITIES

		Q1			Q2			Q3			Q4			
		OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	
ORGANIZATIONAL ALIGNMENT + LEADERSHIP	Performance-based Acquisition Management Plan			Annual assertion of internal controls			RCRA, FSIRA and Executive Order 13423			Fair Act / A-76 Inventories				
	Input into GPRA performance and accountability report			Annual Report / Analysis of Service contract Inventories ¹			Acquisition input to annual GPRA progress performance report for previous FY			Key planning milestone ⁵				
	Acquisition input to agency strategic plan in support of upcoming budget cycle													
	Develop and refine acquisition program performance measures for success													
	Joint statement of duplication of IT investments or acquisitions													
	Assess the strength and weakness of the acquisition function													
	Improve the acquisition management function													
				Quarterly AcqStat Reviews			Quarterly AcqStat Reviews			Quarterly AcqStat Reviews				
POLICIES + PROCESSES	Draft CSTS to OMB			Competitive sourcing report	Strategic sourcing report ²		Buy American Act					OMB issues Circular A-11 ⁶ to agencies with detailed instructions for budget submission		
	Charge card management plan												Agency budget due to OMB	
	Quarterly purchase card program report to OFPP													
	Budget passback													

OUTCOMES

1. Ensures that acquisition program project and expenditure align to agency mission and business needs
2. Links acquisition investments to agency program results
3. Optimizes acquisition planning and investment decisions
4. Reduces costs by eliminating duplicative investments
5. Establishes clear measures and accountability for management of acquisition program

1. Facilitates responsiveness to government-wide policies and initiatives
2. Improves quality of acquisition within agency
3. Provides for uniform and systematic interaction with contractor community
4. Establishes internal control
5. Safeguards integrity of procurement process

Key principles for optimizing the acquisition function

As a federal CAO, you have an incredible opportunity to transform the way your agency does business. Strong, innovative and inspirational leadership—with responsibility across the acquisition life cycle—is needed to overcome yesterday’s challenges and to pursue the opportunities that lie ahead.

Success necessitates adherence to the following set of key principles.

- **Take ownership of the “Big A” acquisition process within your agency.** Recognize and actively promote acquisition as a strategic enabler for accomplishing the agency’s mission.
- **Ensure clarity of CAO roles and responsibilities, focusing on the “Big A”.** Identify and implement clear roles and responsibilities for yourself and the SPE, recognizing that the SPE is responsible for the procurement function while the CAO has a significantly broader purview.
- **Be strategic (and holistic) in your business and acquisition planning.** Recognize that buying smarter means more than just making sure you pay a reasonable price. As important is ensuring you are buying the right things, and in the right ways, to meet the agency’s objectives.
- **Analyze your agency’s spending patterns to identify savings and streamlining opportunities.** Develop a solid understanding of your agency’s buying patterns and develop more effective, efficient means of satisfying those needs.
- **Leverage strategic sourcing and streamlining opportunities to make effective use of all resources.** With a clear picture of what the agency needs to buy and how much, turn the focus to strategic sourcing to leverage the government’s buying power and reduce duplication of effort.
- **Understand the marketplace; leverage the best of what it has to offer.** Encourage appropriate use of market research in your agency’s acquisition processes.
- **Build and enable a workforce that can execute the vision.** Build and sustain a knowledgeable workforce that is well equipped to execute on the business needs of the agency. Invest in developing and implementing your agency’s acquisition human capital plan, addressing the entire acquisition workforce, including contracting officials, program and project managers, and contracting officer’s representatives.

- **Bridge the gaps that inhibit optimal performance.** Promote the benefits of effective partnership between agency programs and procurement organizations in working toward shared objectives. Encourage the establishment of acquisition teams in which program, technical, contracting and other agency officials work together to manage all phases of the acquisition life cycle.
- **Use data to drive performance improvement.** Work with agency counterparts to improve data management processes. Ensure data-driven, fact-based analysis underlies critical business decisions.
- **Encourage innovative thinking, appropriate risk taking and a solutions orientation.** Look for opportunities to build a culture that follows the guiding principles of the Federal Acquisition Regulation, which encourage use of creative practices not otherwise Look for opportunities to tap the creativity of the acquisition workforce and to demonstrate support for the use of innovative techniques and strategies.
- **Engage the oversight community.** Develop ongoing relationships with congressional oversight committees, the agency inspector general and the GAO.
- **Engage in the broader acquisition community.** Collaborate with individuals outside your agency who share similar challenges and who might offer new information and insights to help achieve your goals.
- **Apply the GAO Framework to organize and assess progress.** Use the GAO’s “Framework for Assessing the Acquisition Function at Federal Agencies,” with its four cornerstones for promoting an efficient, effective, and accountable acquisition function.
- **Use the roadmap of annual CAO activities as a guide.** Use the roadmap of annual CAO activities, which provides a timeline of specific activities to be completed each quarter of the fiscal year.

Stakeholders of the federal CAO

- Acquisition workforce
- Agency CIO, CFO, CHCO, CPO
- Agency leadership
- CAO Council
- Citizens
- Congress
- Customer / End users
- GAO
- Industry stakeholders
- Media
- OMB
- Program and project managers

Key CAO legislation

- **Services Acquisition Reform Act** Public Law 108-136
- **Government Performance and Results Act** Public Law 103-62
- **Federal Acquisition Streamlining Act** Public Law 103-355
- **Clinger-Cohen Act** Public Law 104-106
- **Office of Federal Procurement Policy Act** 41 U.S.C. 401 et seq.
- **Defense Acquisition Workforce Improvement Act** Public Law 101-510
- **Federal Activities Inventory Reform Act of 1988** Public Law 105-270
- **Federal Managers Financial Integrity Act of 1982** Public Law 97-255
- **National Defense Authorization Act of 2008** Public Law 110-181
- **National Defense Authorization Act of 2009** Public Law 110-417
- **Small Business Jobs Act of 2010** Public Law 111-240
- **Competition in Contracting Act of 1984** 41 U.S.C. 253
- **Buy American Act** 41 U.S.C. § 10a-10d
- **GPRA Modernization Act of 2010** Public Law 111-352

Resources

ADVISORY: “A Message to Chief Acquisition Officers: Key Principles for Optimizing the Acquisition Function.”

<http://ourpublicservice.org/sage>

Office of Management and Budget, Office of Federal Procurement Policy

http://whitehouse.gov/omb/procurement_default

Federal Chief Acquisition Officers Council (CAO Council)

<http://caoc.gov>

Federal Acquisition Institute (FAI)

<http://fai.gov>

Strategic Advisors to Government Executives (SAGE)

<http://ourpublicservice.org/sage>



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