

# Transforming Federal Acquisition

The federal government’s reorganization and reform efforts offer leaders an opportunity to transform how agencies do business. Government spends \$500 billion each year buying goods and services, including guided missiles, fuel, motor vehicles, office supplies, professional engineering assistance, and research and development. Despite the importance of acquisition, most federal leaders give their contracting offices less than glowing grades. Below we provide information to help government leaders improve collaboration, innovate and take risks, and build the right team for success.

## IMPROVING CROSS-SECTOR COLLABORATION

Life-changing innovations, from GPS to the internet, have involved critical partnerships between government, the private sector and nonprofits. There are various models for the government to work successfully across sectors to understand and address difficult problems, but many agencies are not making full use of these authorities.

**Recommendation:** Federal leaders should encourage acquisition professionals to try new ways to reach outside of their agencies for fresh ideas that can make government more effective. Employees can take advantage of a number of authorities already available to them, including tour of duty hiring, challenges and prizes, and public-private partnerships to find innovative ways to achieve their missions.

**FEDERAL ACQUISITION REGULATIONS AIM TO “FOSTER COOPERATIVE RELATIONSHIPS BETWEEN THE GOVERNMENT AND ITS CONTRACTORS CONSISTENT WITH ITS OVERRIDING RESPONSIBILITY TO TAXPAYERS.”**

FAR 1.102-4(D)

Ways Leaders Can Find the Right Collaborators	Examples
<b>Tour of Duty Hiring:</b> Recruiting and hiring talented individuals on a temporary basis to help bolster strategic initiatives in a federal agency. <i>(Source: Innovation.gov)</i>	The U.S. Digital Service recruits IT talent from the private sector to work for short stints on projects at various agencies.
<b>Challenges and Prizes:</b> Offering monetary or non-monetary rewards to those who provide the best solution to a task or goal. <i>(Source: The White House, Innovative Contracting Case Studies, August 2014)</i>	The National Institute of Justice created the Ultra-High Speed Apps Challenge, which resulted in a \$75,000 reward to an Idaho town that developed a way to link a school’s emergency system directly to first responders in the case of gunshots.
<b>Public-Private Partnerships:</b> Working with private sector partners in joint ventures that tackle difficult problems in a way where all participants benefit. <i>(Source: Innovation.gov)</i>	The U.S. Agency for International Development partners with corporations, local businesses and private foundations to drive economic growth in developing countries. USAID’s Global Development Alliances combine the expertise of the public and private sectors to advance business and sustainable development to meet the agency’s goals.

When the General Services Administration asked senior supervisors at 23 large agencies to what extent they agree with the statement, “I am satisfied with the quality of support I received from the contracting function during the past 12 months,” they rated it an average of 4.75 out of 7.

## TAKING RISKS TO FOSTER INNOVATION

Innovation comes with risk, but risk-taking does not come naturally to the government. When federal employees are asked if creativity and innovation are rewarded in their agency, the results are alarmingly low. Fewer than four out of 10 federal employees agree with the statement “Creativity and innovation are rewarded in my agency,” and the data is similar when looking at the subset of acquisition professionals. Federal contracts and purchase agreements are not one-size-fits-all, and procuring goods and services requires new ways of thinking.

**Recommendation:** Federal leaders can do more to foster innovation by embracing prudent risks and learning from mistakes. Enabling risk-taking means creating an agency culture that accepts some uncertainty and learns from failure. Agency leaders can also encourage employees to think creatively and use the full acquisition playbook to identify the best contracts for the goods and services they need. Options include:



- **Other Transaction Authority:** Agencies with OTA can expedite certain contracts related to research or the creation of prototypes.
- **Staged or Modular Contracting:** Agencies can encourage more proposals by requiring potential partners to generate a short concept paper describing their intended good or service, rather than working through the entire contracting process at once. Those proposals that best meet the agency’s needs are invited to move to the second phase of the staged process, generating a full-length proposal and potentially a one- to two-year pilot.
- **Show, Don’t Tell:** Some agencies have built successful collaborations by embedding performance tests in contract proposals, going beyond the normal narrative structure of procurement. Contracting officials can include coding exercises in contract solicitations or host hackathons that allow potential partners to demonstrate their skills and creativity.
- **Cooperative Research and Development Agreement:** Agencies with CRADAs can collaborate with private-sector partners, sharing staff, knowledge and resources to best achieve their missions.

## BUILDING AN EFFECTIVE ACQUISITION TEAM

The contracting team extends beyond a singular contracting official. Agency contracting officers need a strong network of support and oversight from their general counsel, program coordinators, inspectors general, contractors and other players on the procurement team to ensure customers are properly served.

**Recommendation:** Executives should assemble a broad-based procurement team as early as possible in the lifespan of the contract. The team should incorporate agency leaders, legal counsel, program officials, and private sector partners along with acquisition officials. Each member must understand his or her role and be held accountable for meeting team goals and sharing lessons learned.

**“ACQUISITION TEAM CONSISTS OF ALL PARTICIPANTS IN GOVERNMENT ACQUISITION INCLUDING NOT ONLY REPRESENTATIVES OF THE TECHNICAL SUPPLY AND PROCUREMENT COMMUNITIES, BUT ALSO THE CUSTOMERS THEY SERVE AND THE CONTRACTORS WHO PROVIDE THE PRODUCTS AND SERVICES.”**

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### Learn more about the Powering Government Innovation initiative

With the administration pushing for change across the federal government, agencies have been asked to rethink how they deliver programs and meet their missions. The Partnership for Public Service and Booz Allen Hamilton are working together to help agency leaders embark on efforts that will lead to leaner, more accountable and more efficient government; a workforce more aligned to future needs; and the elimination of barriers that hamper frontline employees from serving the public effectively.

To learn more, visit: [ourpublicservice.org/government-reorganization](http://ourpublicservice.org/government-reorganization)