



# Acquisition Advisory Panel: Competition, PBSA, and Management of Interagency Contract

June 14, 2005

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- Short Background On FEDSIM
- Why Do Agencies Use Outside Assisted Acquisition Services?
- Providing versus Promoting Competition/Fair Opportunity
- Performance Based Service Acquisition (PBSA)
- GAO High Risk Report - Interagency Contract Management
- Improving Interagency Contract Management
- Other Thoughts



- National Program within ITS of FTS of GSA
- Organized around client agencies
- FY04 \$1.4B; total budget \$38M
- Currently 165 people mix of Contracting Specialists, Project Managers, Acquisition Project Managers, Project controllers, managers and staff
- Specialize in large complex Information Technology acquisitions doing post award project management
- Hourly charge for support with .75% txn fee per obligation (\$100K cap/txn)
- Training initiatives to continue meet CCA requirements and pursue PMPs





# Why do agencies use outside assisted acquisition services?

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GSA Federal Technology Service

- **Appropriations/Appportionment/Allotment process too slow so recording obligation is crucial**
- Interagency acquisition services have embraced acquisition streamlining as their value proposition since they compete with internal acquisition services that were 'free'
- When dealing with their internal acquisition, the PMs are subject to the agency's prevailing priorities and politics.
- Need specialized expertise of running oral proposals, developing performance based acquisition, running award fee boards, project controllers, or area of technical expertise





# Our means for competition/fair opportunity

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- FAR 16 - Fair opportunity on GWACs
  - Millennia avg # of offerors 2.6 (56 awards)
  - MLite avg # of offerors 1.9 (41 awards)
- FAR 8.4 MAS – use eBuy to post RFQ for all DoD and Civilian schedule buys
- Socioeconomic via FAST, STARS, COMMITS NG
- Very little open market, very rare full and open due to number of suitable existing contract vehicles
- Remediation impact





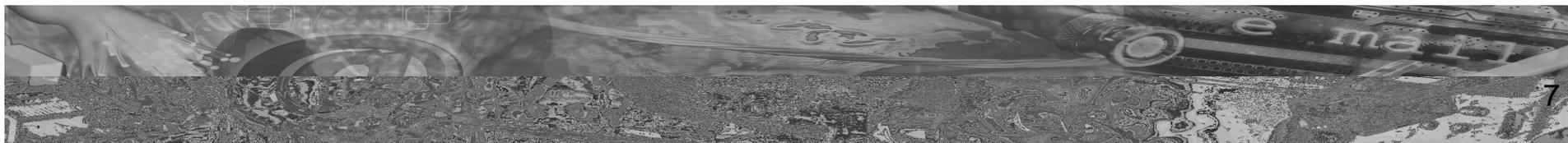
# Promoting competition/fair opportunity

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- Keep on street 4+ weeks for mid-sized to large acquisitions
- Name the incumbent (Don't act like it is State secret)
- Publicize cost range in solicitation (Discourage low bidding to get business with change orders to follow)
- Due Diligence (1-on-1 with Govt so industry can justify spending B&P)
- Upfront planning if client gets approval and funding in sufficient time
- Use of true best value (Industry more likely to submit proposal if not low cost shoot out)



- \$3.65B of \$7.66B (47% of award value) has been PBSA under Millennia and Millennia Lite
  - Millennia 18 of 56 TOs awarded since 8/99; first PBSA in 12/2000
  - Millennia Lite 8 of 41 TOs awarded since 10/2000; first PBSA in 1/2002
- Importance of award fee determination rating (not \$\$) to Industry
- Some agencies are not ready for PBSA – ‘stick’ mentality
- Personal Services – the cultural change required
- Conversions to PBSA





# Improving Interagency Contract Management

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- Appropriations Law determination by GAO so consistent across agencies.
- Interagency Agreements (IAs) need to define roles and responsibilities for both requiring and ordering agency
- Need for Governance structure to escalate issues
- When dealing with clients, assisting agencies' business managers need good negotiation skills or will not be partnership
- Assisting agencies need checks and balance for clean bill of health – management controls with routine reviews





# Improving Interagency Contract Management, cont.

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- Need sufficient legal resources specializing in contract law, fiscal law, technical area; (lawyer : CO/CS ratio)
- Assisting agencies that charge % surcharge or flat fee need to know the realistic cost of supporting each project
- One price does not fit all assisting agencies - some assisting agencies are partially subsidized while others need to contribute more
- Need to retain and recruit engaged workforce – FTE caps even though cost reimbursable or franchise, sufficient grades to attract people to demanding roles



- Definition of IT in FAR – needs to include capital planning, enterprise architecture, performance enhancement, requirements analysis, integration, training, IV&V, and change management.
- Lots of annual funds to develop and deploy systems; Why not multi-year or no year funds?
- Standardize training courses for acquisition professionals across Govt so transferring does not require retraining
- Risk Management and Project Reviews – Need to look beyond compliance to bigger picture “Is the project on course for successful completion within cost and schedule? Did the Govt get what we paid for?”
- Service objects may become the future commercial product. Need way to incentivize reuse.

