



**U.S. Department of  
Transportation**

Office of the Secretary  
of Transportation

Assistant Secretary  
for Administration

1200 New Jersey Avenue, SE  
Washington, DC 20590

FEB 20 2008

The Honorable Paul A. Denett  
Administrator  
Office of the Federal Procurement Policy  
Office of Management and Budget  
Washington, DC 20503

Dear Mr. Denett:

The purpose of this letter is to transmit the subject Performance-Based Acquisition (PBA) update on behalf of the U.S. Department of Transportation. This PBA update is prepared in accordance with the December 5, 2007, memorandum, from Paul A. Denett, Office of the Federal Procurement Policy, subject: PBA Performance Goal Update.

If you have any questions, please contact Lenita Ahmadi on (202) 366-4974.

Sincerely,

A handwritten signature in black ink that reads "Linda J. Washington". The signature is fluid and cursive, with the first name being the most prominent.

Linda J. Washington

Enclosure

U.S. Department of Transportation  
Performance-Based Acquisition Goal Update  
February 2008

The mission of the Department of Transportation is to develop and coordinate policies that will provide an efficient and economical national transportation system, with due regard for need, the environment, and the national defense. It is the primary agency in the federal government with the responsibility for shaping and administering policies and programs to protect and enhance the safety, adequacy, and efficiency of the transportation system and services.

The Department is committed to the target achievement level of 50 percent, established by the Office of Federal Procurement Policy (OFPP), dated December 5, 2007. DOT's management plan dated October 2006 outlined initiatives to be undertaken and consequently implemented to increase the use of Performance-Based Acquisition (PBA), where applicable. Since that time DOT has doubled its PBA achievement from 15 percent in FY 07 to 30 percent in FY 08 (see Enclosure). The successful implementation of the Department's plan has yielded significant results within the last year through identified and targeted activities. We fully expect to build on this increase over the next four years utilizing those recognized activities and methodologies that were outlined in the DOT plan.

Within DOT, there are routine independent processes and procedures that ensure consideration is given to the use of PBA in developing acquisition strategies. Such processes and procedures include: annual forecasting activities, which allows for early exchange between procurement and program personnel in planning and selecting PBA requirements; Formal Acquisition Plans are required for procurements in excess of \$2 million and must describe the strategies for implementing PBA methods or must provide rationale for not using the prescribed methodology; and training.

Consistent with the DOT Plan, the following actions were taken to enhance the use of PBA:

- Developed a four part training module/series that addresses Market Research, Writing a Performance Work Statement, The Difference Between a Quality Assurance Surveillance Plan and a Quality Assurance Plan and PBA Metrics.
- Executed two in-house training sessions to approximately 100 DOT employees, to include Contracting Officer's Technical Representatives (COTRs), Program and Contracting Personnel, as provided by OFPP. One of the training sessions included the review of the Performance Work Statement.
- Implemented customized training on an ad hoc basis where the specific concern or issue of the Operating Administrations (OA) was addressed. For example, an OA

may have required remediation on improper coding of PBA data in Federal Procurement Data System-Next Generation (FPDS-NG), which provides a more accurate representation of DOT data. As a result, DOT developed a Quick Tips Reference Guide to assist procurement personnel in accurately completing the required data fields in FPDS-NG that were observed to have caused reporting errors.

Current PBA activities include:

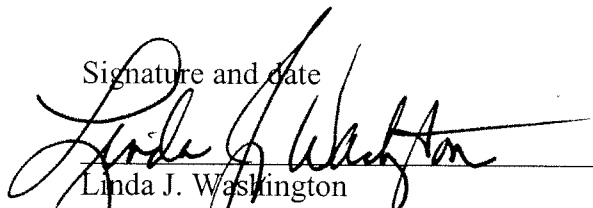
- Establish an Acquisition Policy Advisory Group (APAG) to integrate acquisition policy management initiatives, having their origin in statute and/or public policy, throughout DOT, which may be used to formally identify requirements among the workgroup that lend itself to the PBA methodology.
- Continue to promote PBA team training through Federal Acquisition Institute (FAI), which ensures that at least one DOT team per year may attend.
- Provide scheduled updates to OA Chief Acquisition Officer's on the progress of this initiative including their organization's PBA performance.
- Develop and promulgate a standardized Contract Checklist which institutionalizes the PBA methodology from concept to implementation. Accordingly, incorporating the checklist into the Transportation Acquisition Manual (TAM) maintaining the support of PBA Department wide.

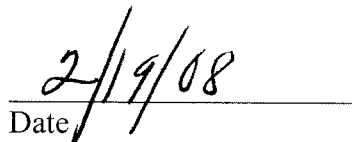
#### Agency PBA Point of Contact (POC)

U.S. Department of Transportation PBA point of contact:

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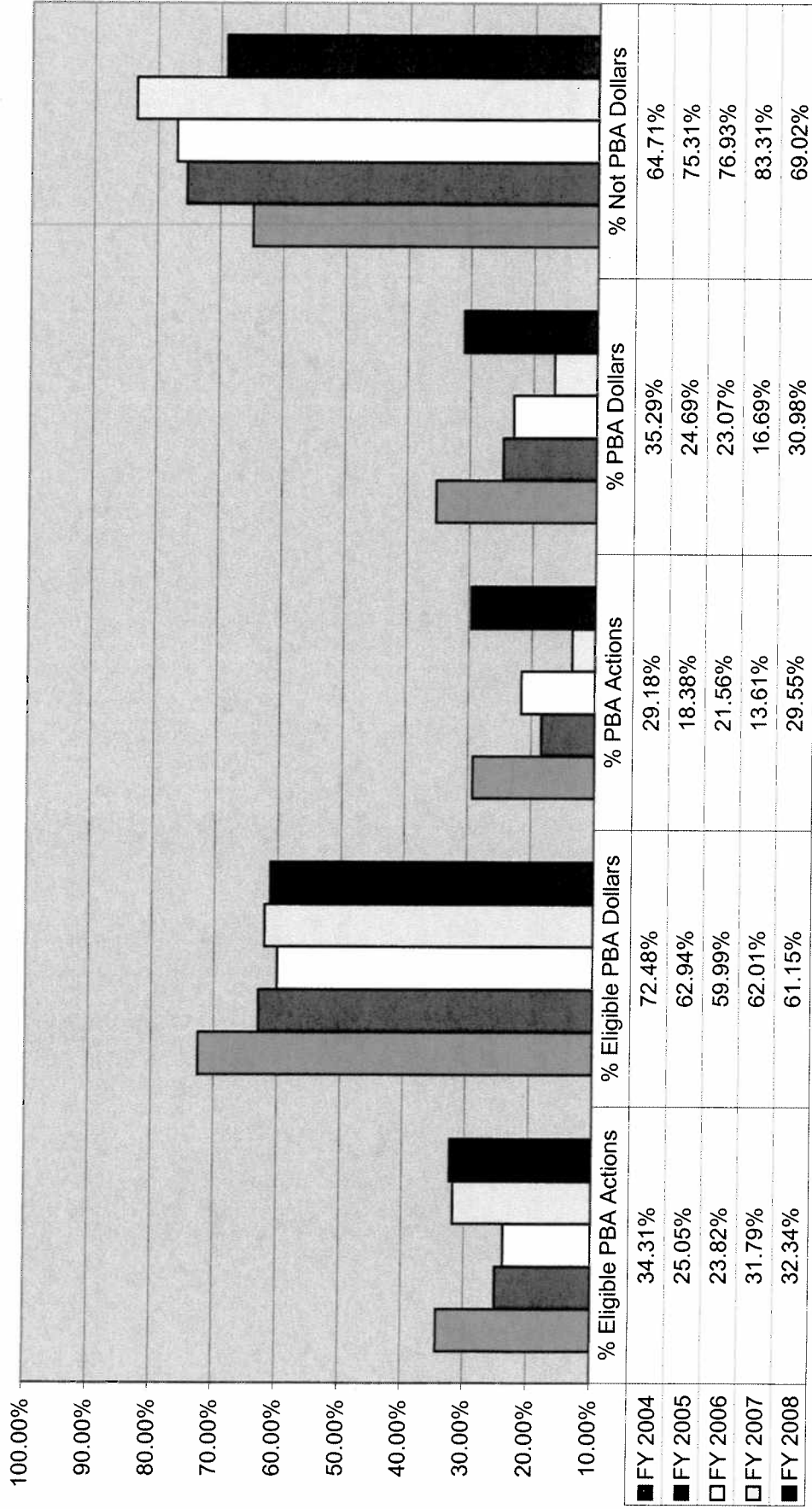
Signature and date

  
 Linda J. Washington  
 Deputy Chief Acquisition Officer  
 U.S. Department of Transportation

  
 Date

U.S. Department of Transportation  
 Performance Based Service Acquisition  
 Fiscal Years 2004-2008

U.S. Department of Transportation



\*\*\* Includes FAA

Source: FPDS-NG  
 Date: February 2008