

GAO
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Highlights

Highlights of [GAO-03-443](#), a report to the Committee on Government Reform, House of Representatives, and the Committee on Governmental Affairs, U.S. Senate

Why GAO Did This Study

The federal government, comprised of more than 60 agencies and nearly 1.7 million civilian workers, acquires most of its goods and services through contracts. Recent changes in what the government buys, its contracting approaches and methods, and its acquisition workforce have combined to create a dynamic acquisition environment. Many of these recent changes enhance contracting efficiency and offer a number of benefits, such as reduced administrative burdens. However, GAO's past work has found that if these changes are not accompanied by proper training, guidance, and internal controls, agency procurements may be at greater risk.

While effectively managing contracts is always a key management responsibility, this responsibility is more acute in those agencies that rely heavily on acquisitions to accomplish their missions.

The goal of this report is to identify for Congress, the administration, and accountability organizations those procurement-related trends and challenges that may affect federal agencies. Specifically, GAO analyzed recent federal procurement patterns, the use of various procurement methods, and changes in the acquisition workforce.

www.gao.gov/cgi-bin/getrpt?GAO-03-443.

To view the full report, including the scope and methodology, click on the link above. For more information, contact Bill Woods at (202) 512-4841.

FEDERAL PROCUREMENT
Spending and Workforce Trends

What GAO Found

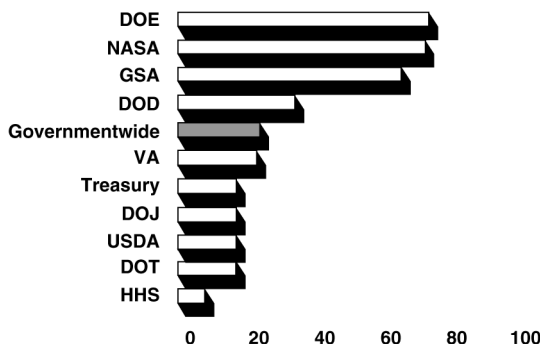
Federal agencies procured more than \$235 billion in goods and services during fiscal year 2001, reflecting an 11 percent increase over the amount spent 5 years earlier. Further growth in contract spending, at least in the short term, is likely to increase given the President's request for additional funds for defense and homeland security, agencies' plans to update their information technology systems, and other factors. Overall, contracting for goods and services accounted for about 24 percent of the government's discretionary resources in fiscal year 2001. As shown in the figure below, acquisition is central to the missions of several agencies.

Federal agencies are taking advantage of the streamlined acquisition processes that were developed in the 1990s, including relying on contracts awarded by other federal agencies to obtain goods and services. The increase in the use of this acquisition method is driven largely by purchases of information technology and by professional, administrative, and management support services. Similarly, agencies are increasingly using purchase cards for many of their low dollar value procurements.

Over the last decade, the federal acquisition workforce has had to adapt to changes in staffing levels, workloads, and the need for new skill sets. Procurement reforms have required contracting specialists to have a greater knowledge of market conditions, industry trends, and the technical details of the commodities and services they procure. A priority at most agencies we reviewed was attracting and retaining the right people with the right skills to successfully address the increasingly complex actions expected in the future. Many agencies have made progress with strategic human capital planning efforts.

We reviewed 10 agencies that represent over 90 percent of the federal government's acquisition spending. All agencies provided comments on our report and concurred with our analyses.

Acquisition of Goods and Services as a Percent of Agencies' Discretionary Budget Resources, Fiscal Year 2001



Source: FPDS, OMB, and FAA.