



Highlights of [GAO-07-45SP](#), a GAO forum.

Why GAO Convened This Forum

Acquisition of products and services from contractors consumes about a quarter of discretionary spending governmentwide and is a key function in many federal agencies. In fiscal year 2005 alone, federal government contracting involved over \$388 billion. The work of the government is increasingly being performed by contractors, including in emergency and large-scale logistics operations such as hurricane response and recovery and the war in Iraq. Many agencies rely extensively on contractors to carry out their basic missions.

The magnitude of the government's spending and dependence on contractors make it imperative that this function be performed as efficiently and effectively as possible. Yet, acquisition issues are heavily represented on GAO's list of government high-risk areas. In the 21st century, the government needs to reexamine and evaluate its strategic and tactical approaches to acquisition.

To identify and discuss the key issues confronting the federal acquisition community, the Comptroller General hosted a forum in July 2006 that brought together acquisition experts from inside and outside the government. Participants shared their insights on challenges and opportunities for improving federal acquisition in an environment of increasing reliance on contractors and severe fiscal constraint.

www.gao.gov/cgi-bin/getrpt?GAO-07-45SP.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Katherine Schinasi at (202) 512-4841 or schinasi@gao.gov.

HIGHLIGHTS OF A GAO FORUM

Federal Acquisition Challenges and Opportunities in the 21st Century

What Participants Said

Forum participants offered a range of examples, insights, views, and concerns that framed three broad challenges confronting the federal acquisition community:

- **Determining who should perform the business of government in a constantly changing environment.** Participants engaged in a wide-ranging discussion of the appropriate role of contractors, the difficulties of identifying what government functions may be contracted out, and the formal and informal means by which these decisions are made. Several participants contrasted the high-level attention given in private sector organizations to identify their core versus noncore functions.
- **Ensuring the federal workforce has the capacity and capability to manage contractor operations effectively.** Participants highlighted that policy makers do not have a clear understanding of what constitutes the acquisition workforce. Agency leaders have not recognized or elevated the importance of the acquisition profession within their organizations. Further, a strategic approach has not been taken across government or within agencies to focus on workforce challenges, such as creating a positive image essential to successfully recruit and retain a new generation of talented acquisition professionals.
- **Managing for results and accountability in a contractor-dependent environment.** Participants noted the importance of early identification of realistic requirements, a step that can decrease the government's risk of achieving undesirable outcomes. Participants cited the frequent mismatch among wants, needs, affordability, and sustainability, as well as unrealistic and often changing requirements. Further, participants highlighted the challenges when managing amidst burdensome governmental acquisition processes and budget pressures. In addressing the question of accountability, many participants commented that achieving successful outcomes is a shared responsibility. In some cases, contractors promise more than they can deliver, while in other cases, the government is at least partially at fault for not setting clear direction for contractor performance.

Participants also discussed opportunities for how the federal government can adopt more strategic, modern acquisition practices in government:

- **Identifying best practices and innovative approaches.** Participants cited acquisition best practices that might be implemented more widely throughout all levels of government. Examples were provided that included best practices from within the federal government, foreign governments, and the commercial sector.
- **Creating a culture for sharing knowledge and improving federal acquisition.** Participants provided insights and examples as to why it is important for government leaders to create an organizational culture that will support ongoing improvement in acquisition practices in the 21st century.