

COMPTROLLER GENERAL'S

FORUM



HIGHLIGHTS OF A GAO FORUM

Federal Acquisition
Challenges and
Opportunities in
the 21st Century

October 2006

GAO-07-45SP





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.

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Abbreviations

COR	contracting officer representative
DAU	Defense Acquisition University
DLA	Defense Logistics Agency
DOD	Department of Defense
DHS	Department of Homeland Security
FAIR	Federal Activities Inventory Reform
GSA	General Services Administration
LOGCAP	Logistics Civil Augmentation Program
MSPB	Merit Systems Protection Board
NASA	National Aeronautics and Space Administration
OFPP	Office of Federal Procurement Policy
OMB	Office of Management and Budget

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United States Government Accountability Office
Washington, DC 20548

Introduction from the Comptroller General of the United States

Near-term and long-term deficits strain federal agencies' resources because of current deficits and the nation's large and growing fiscal imbalance. Addressing this imbalance constitutes a major transformational challenge in the 21st century. Yet, in many cases, the government is still conducting business in ways that are based on conditions and priorities that existed decades ago, using approaches that are not well suited to addressing the challenges of our time. To address these 21st century challenges, a fundamental reexamination, reprioritization, and reengineering of the base of federal spending and tax programs is needed—covering discretionary and mandatory programs as well as the revenue side of the budget.

Part of this reexamination includes a focus on various cross-cutting issues of governance, such as the federal government's approach to acquiring the goods and services necessary to implement agency missions. Acquisition of goods and services from contractors consumes over one-fourth of discretionary spending governmentwide and is a key function in many federal agencies. In 2005, federal agencies spent over \$388 billion on such contracts. The work of the government is increasingly being performed by contractors, including in emergency and large-scale recovery and logistics operations such as the Katrina disaster and the war in Iraq. Many agencies, including the Department of Energy, the Centers for Medicare and Medicaid Services, and the National Aeronautics and Space Administration (NASA), rely extensively on contractors to carry out their basic missions. In any consideration of how to improve the government's approach to acquisition, attention should be given to what is working, what is not working, and the causes for either outcome.

To retain public confidence in the government's stewardship over taxpayer dollars, federal managers need to strengthen their ability to obtain reasonable prices, monitor contractors, and ensure high-quality performance and the timely delivery of goods and services. Federal managers must also strike the right balance between developing collaborative relationships and avoiding conflicts of interest. Further, government agencies can benefit from transforming and finding new ways of doing business that minimize acquisition costs while maintaining and even improving mission results through the performance of contractors. New models and processes may be needed to continuously examine what work should be conducted by contractors and what work should be retained within the federal government.

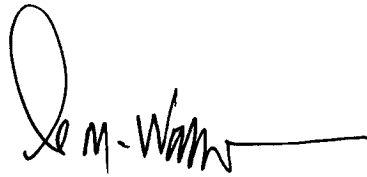
Recognizing that decision makers can benefit from a better understanding of the challenges and opportunities confronting the federal acquisition community, GAO convened a forum on July 18, 2006. The forum provided a venue for bringing together knowledgeable and recognized government management and acquisition experts from the private and public sectors and academia to share insights on the critical challenges and opportunities for improving government performance in an environment of increasing reliance on contractors and severe fiscal constraint. Participants included current and former government executives and acquisition leaders, procurement law and public administration experts, and government contractor representatives and consultants from industry. (See app. I for a list of forum participants and app. II for the forum's agenda.)

Our approach was to engage in a rich and substantive discussion, on a nonattribution basis, to obtain a range of views on key issues in federal acquisition today. (See app. III for the list of questions provided in advance to forum participants to help provoke thought on issues to bring forward for discussion.) The forum neither sought nor achieved consensus on the issues discussed.

This report highlights the discussion among forum participants, as well as their subsequent comments on a draft of this report. The highlights summarized in this report do not necessarily represent the views of any individual participant or the organizations that these participants represent, including GAO. The report leads with a brief background on the information presented by GAO to initiate the forum. Section 1 summarizes the discussion on the key challenges the government must address in order to operate effectively within an environment of extensive and increasing reliance on contractors. Section 2 highlights opportunities for improving federal acquisition in the 21st century through more strategic, results-oriented, world-class, and ethical business processes and capabilities.

I would like to thank all of the participants for taking the time to share their knowledge, insights, and perspectives. We will use the knowledge gained from the forum in our work for Congress and the country. I look forward to working with the forum's participants on federal acquisition and other important issues of mutual interest and concern in the future. For more information about this report, please contact Katherine Schinasi, Managing Director, Acquisition and Sourcing Management, at 202-512-4841 or schinasi@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. This report was prepared under the direction of Bill Woods, Director,

Acquisition and Sourcing Management. GAO staff who made key contributions to organizing the forum and to this report were Carolyn Kirby, Assistant Director; Matthew Ebert; Rosa Johnson; and Bob Swierczek.

A handwritten signature in black ink, appearing to read "D. M. Walker", with a long horizontal line extending to the right.

David M. Walker
Comptroller General
of the United States

October 6, 2006

Background

Comptroller General Walker provided opening comments that focused on the current fiscal and federal acquisition environments and the reasons for convening the forum. In essence, the impetus for GAO holding this forum is that the federal government cannot continue its current way of conducting business. The federal government finds itself on a burning platform for a variety of reasons, including

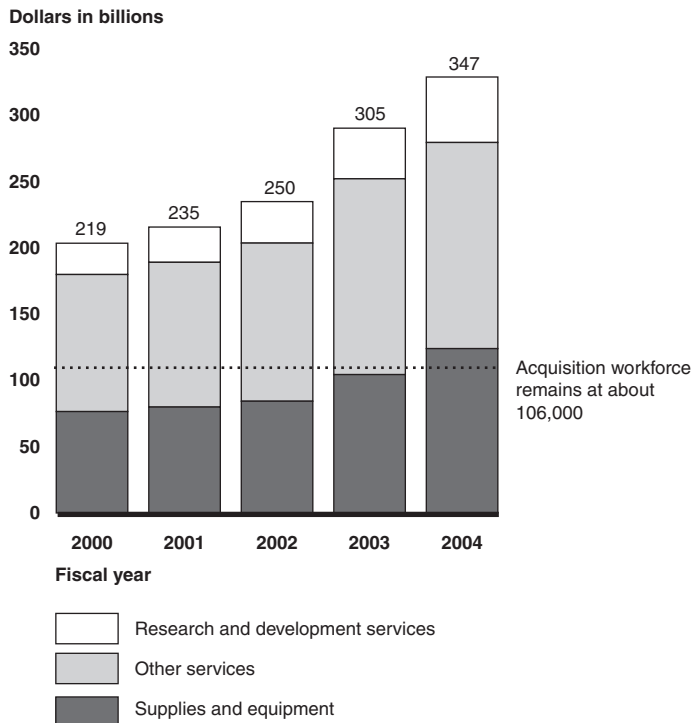
- a large and persistent budget deficit making ever scarcer the dollars available for discretionary spending;
- rising public expectations for government results and enhanced responsiveness;
- contentious, complex, and rapidly evolving national problems, such as the global war on terrorism, homeland security, and a myriad of domestic issues; and
- a number of high-risk management areas in the government that have been present for many years.

These realities make a clear case for change. Accordingly, the federal government has a responsibility to reexamine its current policies and practices and then to develop and implement innovative approaches to conducting the business of government.¹ One area that is in need of reexamination is federal acquisition.

In responding to national events following the September 11, 2001, terrorist attacks on the United States, there is no doubt that the impact on the federal acquisition community has been significant and the government's response has been to rely on more contractors for support and solutions. Since 2001, federal acquisition spending has increased over 65 percent to \$388 billion in fiscal year 2005. As illustrated in figure 1, as federal procurement spending generally, and spending on services in particular, has increased, the acquisition workforce remained at essentially the same level. Many have raised concerns that the increased workload has stretched this workforce to its limit.

¹ These issues are highlighted in greater detail in GAO, *21st Century Challenges: Reexamining the Base of the Federal Government*, [GAO-05-325SP](#) (Washington, D.C.: Feb. 16, 2005).

Figure 1: Federal Acquisition Spending and Workforce Trends, 2000-2004



Source: Spending: GAO analysis of federal procurement data system, actions equal to or greater than \$25,000. Workforce: GAO analysis of Office of Personnel Management data of 14 acquisition-related job series.

There continue to be a number of other challenges associated with today's federal acquisition environment. One key challenge is generating positive acquisition results on time and within budget, a responsibility shared by contractors and agencies. Another is for agency leaders and decision makers to exercise greater fiscal discipline by distinguishing between what all too often seems to be desired wants instead of true mission-critical needs. There is the growing complexity of contracting for technically complex and sophisticated services, which presents even greater challenges in terms of setting appropriate requirements and effectively monitoring contractor performance.

In an attempt to improve federal acquisition, Congress has enacted a series of legislative reforms over the last decade, ranging from the Federal

Acquisition Streamlining Act of 1994² to the Services Acquisition Reform Act of 2003.³ While these acts were intended to streamline, simplify, and expedite acquisition processes; achieve economies and efficiencies; and leverage the government's buying power, there clearly remains room for further improvement, as demonstrated by many of the GAO high risk designations.

GAO's list of government high-risk areas includes contract management at the departments of Defense and Energy and at NASA, meaning that hundreds of billions of taxpayer dollars are vulnerable to waste and misuse.⁴ For the Department of Defense (DOD) and other major federal agencies, significant investments in contractor-reliant operations are also at high risk, ranging from information system modernization projects to Medicare and Medicaid administration to housing assistance programs. GAO has also identified interagency contracting as posing several risks because of the rapid growth of dollars involved combined with the limited expertise at some of the agencies using these contracts and recent problems related to their management.

² Pub. L. No. 103-355 (1994). The Federal Acquisition Streamlining Act of 1994 authorized, among other things, federal agencies to enter into multiple award, task- and delivery-order contracts for services and products. These contracts provide agencies with a great deal of flexibility in buying goods or services while minimizing the burden on government contracting personnel to negotiate and administer contracts.

³ Pub. L. No. 108-136, Title XIV (2003). The Services Acquisition Reform Act of 2003 provides agencies an array of tools to improve the acquisition of services in four major areas—acquisition workforce and training, business acquisition practices, commercial item acquisitions, and other procurement flexibilities.

⁴ GAO, *High-Risk Series: An Update*, [GAO-05-207](#) (Washington, D.C.: Jan. 2005).

To reduce risk, the federal government needs to meet long-range challenges by not assuming that any entitlement, other mandatory spending, discretionary spending, or tax policy is off-limits. In the area of acquisition, improvements can be achieved through identifying, sharing, and implementing best practices. This will not only save money, but increase the competence of the government and the likelihood that agencies will achieve their mission goals and objectives. Further, it will improve service to the American public and will strengthen public confidence and trust in the performance and accountability of our national government.

Section 1: Key Acquisition Challenges Facing Government as Reliance on Contractors Increases

Forum participants offered a range of insights, views, examples, and concerns that framed three broad challenges. These were (1) determining who should perform the business of government in a constantly changing environment, (2) ensuring the federal workforce has the capacity and capability to manage contractors effectively, and (3) managing for results and accountability in a contractor-dependent environment. Highlights of this session's discussion are summarized below.

Determining Who Should Perform the Business of Government in a Constantly Changing Environment

In addressing who should do the government's business in a constantly changing environment, participants engaged in a wide-ranging discussion of the challenges associated with determining the appropriate role of contractors and identifying functions that should or should not be contracted out. They also debated the value and limitations of the formal competitive sourcing process. Others contrasted the high-level attention given and rigorous approach taken in private sector organizations to identify their core versus noncore functions.

Several participants felt the federal government is on the wrong track in maintaining a prescriptive list for guiding sourcing decisions, arguing, for example, that the entire process is flawed in defining what federal functions are inherently governmental and must never be contracted out.⁵ Developing a list of such functions is problematic, they said, because any definition of functions will change as technology and the marketplace evolve, every job description becomes a source of concern, and the situation leads to confusion about roles and responsibilities between the contractors and the government. Agencies should instead focus on determining the right mix of government-performed and contractor-performed work in particular settings, said another participant.

Some participants pointed out, however, that classifying federal jobs as either inherently governmental or commercial activities is not a bad idea. Every year agencies must review and classify their positions as part of their Federal Activities Inventory Reform Act of 1998 (FAIR Act)

⁵ Since 1955, the executive branch has encouraged federal agencies to obtain commercially available services from the private sector when the agency determines that it is cost-effective. In 1966, the Bureau of the Budget formalized this administrative policy in its Circular A-76. Additionally, the Office of Management and Budget (OMB) requires agencies to identify activities that are inherently governmental, as well as commercial positions that are exempt from A-76 competitive sourcing processes because of legislative prohibitions, agency restructuring, or other reasons.

inventories, a practice they said offers sufficient flexibility.⁶ At the agency level, developing lists of inherently governmental and commercial jobs forces agencies to think more strategically about contracting out their work, said another. In developing the lists, it might be easier and more appropriate for agencies to determine what should not be contracted out and develop guiding principles or values to determine which positions could be contracted out, another participant observed.

A divide existed among participants over the value and limitations of competitive sourcing under Circular A-76 processes. On the one hand, some participants claimed federal competitive sourcing practices have a positive impact on government, because in most cases the process makes government employees think about ways to do business more efficiently. For example, one participant cited an example in which agency employees attempted to improve the quality of their work at lower costs, but management ignored them until the competitive sourcing process forced management to think more strategically about reorganizing for greater efficiency.

On the other hand, one participant cited inherent difficulties in competitive sourcing practices. The participant pointed out that many government blue collar jobs could be done by contractors, but federal employee unions have prevented the jobs from being contracted out because of concerns about the economic impact on their members. In contrast, for many white collar professional and managerial jobs that are not likely candidates for outsourcing, the government often is forced to contract out for those services because it may not offer competitive salaries.

Other participants noted that the extent of contracting out of government services because of competitive sourcing may be exaggerated. One participated noted that the A-76 program is intended to make the government more effective, not downsize the government workforce or steer business toward the private sector. “Half of the government workforce is performing work determined to be inherently governmental and another fourth is performing commercial work that will not be outsourced for policy reasons. Thus, three-fourths of the workforce is not

⁶ As required by the FAIR Act, Pub. L. No. 105-270 (1998), agencies develop inventories of their commercial activities. Only activities classified as commercial and not otherwise exempt are potentially subject to competition under Circular A-76 processes.

competed,” the participant said. “That is the very reason the outsourcing issue should not get so much attention,” argued another participant, explaining that “the debate over A-76 and competitive sourcing is a huge distraction in tackling federal acquisition challenges and is irrelevant at the macro level across agencies. Competitive sourcing represents less than 2 percent of service contracting governmentwide in terms of numbers of sourcing decisions and contract dollar value.” One participant commented that the massive growth of service contracts over the last decade has come from new agency requirements, not from competitive sourcing under the A-76 program. He added that the government would be better off figuring out how to manage those contracts instead of the A-76 program.

Finally, participants pointed to private sector outsourcing efforts as a model for changing the federal approach. Many corporate organizations carefully deliberate up-front and at the highest levels of management about what core functions they need to retain and noncore functions they should buy and the skill sets needed to process the acquisition of such noncore functions, said participants. Some participants indicated that while the government is unlikely to be able to follow the private sector’s processes completely, there are aspects it should adopt, such as up-front identification of requirements, determining needed residual skill sets, and ensuring oversight of performance under the contract once it is put in place.

Ensuring the Federal Workforce Has the Capacity and Capability to Manage Contracts Effectively

Ensuring the federal workforce has the capacity and capability to manage contractor-reliant operations effectively is a critical challenge, according to participants. Agency leaders have not recognized or elevated the importance of the acquisition profession within their organizations, and 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.

Addressing Acquisition Workforce Capacity

Many participants noted that to assess the appropriate size and skill sets needed, one needs to have a working knowledge of the government’s current acquisition workforce. Agency managers do not clearly understand what constitutes the acquisition workforce, a fact that itself presents a major human capital challenge for the agencies and policy makers. One participant said that the government should define the acquisition

workforce as including any managers and employees involved in the acquisition process, such as a contracting officer representative (COR),⁷ program manager, legal adviser, or contracting officer. Another participant agreed and stated that often CORs are not included in the definition of acquisition workforce and contended that the profile of this position needs to be elevated. It will be hard to change how people think about what constitutes the acquisition workforce, the participant acknowledged.

One participant—citing a recent Inspector General report that highlighted the two competing methodologies used for counting the acquisition workforce—contended that it was a counting problem.⁸ According to the participant, empirical studies about organizations' procurement functions have found a direct correlation between the number of staff assigned to that function and its effectiveness. Further, many agency procurement staff have been given waivers to the various qualification requirements contained in the Clinger-Cohen Act of 1996 and the Defense Acquisition Workforce Improvement Act; thus the government needs data about the quantity and validity of waivers granted.⁹ One participant also commented that the plethora of qualification waivers such as granted under the Clinger-Cohen Act of 1996 is particularly troubling given the extent to which the procurement function has evolved from the administrative support role of the past to today's valuable business adviser role.

While there was not agreement on the appropriate size of the acquisition workforce, it was evident that participants agreed that employees who are more skilled need to be added to the acquisition workforce. Several highlighted the need for more skilled acquisition employees because of the new environment in which there is a heavy reliance on contractors to

⁷ CORs are the individuals from program and mission offices appointed to provide the technical expertise necessary to convey the requirements of the government, oversee the work of the contractor, and ensure that deliverables meet requirements. The U.S. Merit Systems Protection Board (MSPB) recently reported findings and recommendations based on a survey of CORs from several agencies. See MSPB, *Contracting Officer Representatives: Managing the Government's Technical Experts to Achieve Positive Contract Outcomes* (Washington, D.C.: December 2005).

⁸ Office of the Inspector General, DOD, *Human Capital: Report on the DOD Acquisition Workforce Count*, D-2006-073 (Washington, D.C.: April 17, 2006).

⁹ The Clinger-Cohen Act of 1996, Pub. L. No. 104-106, Divs. D & E (1996), and the Defense Acquisition Workforce Improvement Act, Pub. L. No. 101-510, Title XII (1990), among other things, provided specific guidance and requirements to civilian agencies and DOD to establish acquisition workforce requirements.

perform functions previously performed by the government. Several participants highlighted that the size and skill sets of the acquisition workforce should be derived agency by agency and done so comprehensively. For example, one participant said it does not matter how many people are performing a function until the government defines the roles and responsibilities associated with that agency's mission and respective acquisition workforce. The participant continued by saying, "You can have two times or five times the number of people, but if you have not defined what they are supposed to do, then size alone does not get it done. Clarity of purpose is key." Another participant said the size of the workforce needed depends on the nature of the work, processes, and technical ability.

One participant stated that government agencies need to determine whether their acquisition workforce will use a transactional or strategic approach. There may be instances where both approaches are helpful to an agency, but essentially the two approaches to acquisition management demand different skills. The participant said that agencies need to determine whether to manage acquisition either as a strategic supply management function or as a transactional, tactical, administrative support function, and then shape staffing and salary requirements accordingly.

One participant noted that when the United States Postal Service decided to adopt commercial best practices for a strategic, enterprise supply management approach, it completely overhauled and upgraded the skill sets in its acquisition workforce. The participant said to upgrade the workforce, the Postal Service surveyed the workforce's existing skills, benchmarked them against the private sector, and conducted a competency assessment. The supply management organization then went through a difficult reduction in force, followed by an intense effort to hire new talent under dramatically revamped competencies and skill sets. According to the participant, today's Postal Service acquisition workforce feels highly valued and rewarded in terms of making a difference in the organization.

Other participants echoed that different skill sets are needed in today's new acquisition environment, many participants stressed, although those will vary from workforce to workforce. One might consider, for example, a workforce that focuses on acquiring complex services such as information technology and telecommunications, contrasted with another that focuses on the challenging and highly specialized acquisition of weapon systems. Another participant stated that the workforce should not focus solely on

acquisition or contracting expertise, but on programmatic experience and expertise to help make better acquisition decisions. Finally, one participant questioned whether the Office of Management and Budget's (OMB) Office of Federal Procurement Policy (OFPP), the organization responsible for implementation of key acquisition reforms, has enough staff to accomplish its tall order of leading change in this area.¹⁰

Recruiting and Retaining New Talent

Many participants emphasized the importance of recruiting skilled acquisition workers and the associated challenges in today's environment. The federal government's negative image was identified as a major cause of recruitment distress, derived from unclear terminology in job descriptions, the lack of value placed on the acquisition workforce by agency leadership, and the negative reports in the press.

One participant highlighted bureaucracy as creating a key image problem for federal efforts to recruit skilled young acquisition workers. Citing results from a recent survey of college students by the Partnership for Public Service,¹¹ the notion that there is too much bureaucracy hampering employees working in the government is the number one reason young people do not seek federal jobs. "We're not emphasizing that work in government offers many management tracks as well as many career paths that involve technically skilled and focused jobs," said the participant.

Another participant stated that the government advertises jobs using descriptors such as "procurement"—when young prospective hires have no idea what "procurement" means—rather than using more understandable terminology such as "purchasing." Another participant echoed these remarks, saying that the difference of terminology between the private sector and the government sector is dampening interest of college graduates in government careers. "Until the government changes its terminology, it will have difficulties recruiting personnel for acquisition functions," said the participant. Further, terms such as "acquisition," "contracting," and "procurement" are misnomers for what the government

¹⁰ One participant pointed out that the congressionally authorized Acquisition Advisory Panel has reviewed qualitative and quantitative issues regarding the federal acquisition workforce. On its Web site at <http://acquisition.gov/comp/aap/prd.html>, the panel has published findings and provisional recommendations addressing many of the workforce capacity and capability issues raised by the GAO forum participants.

¹¹ Partnership for Public Service, *Back to School: Rethinking Federal Recruitment on College Campuses*, PPS-06-01 (Washington, D.C.: May 2006).

is actually doing. Such terms have typically been interpreted by recruits as low-level functions for buying supplies, goods, and equipment rather than as higher-level management positions to engage service providers.

Another participant highlighted the need for the federal government to raise the profile, importance, and skills involved in the hiring and assignment of CORs responsible for providing technical expertise and oversight of contractors. Many of the people serving as CORs were hired by the government as scientists, logisticians and engineers, but are now being asked to manage contractors, explained the participant. Too often CORs do not see this role and responsibility as the job they were hired to do, instead viewing it as a collateral duty or even worse. “It is not as valued inside their organizations, and thus not seen as a desirable role for federal managers to take on. Government has not put a premium on this job,” stressed the participant.

Other participants agreed that procurement officials have a different image in the federal government versus the private sector. According to one participant, in the past, many jobs at companies involved in purchasing and procurement were not seen as being for important or high-valued employees but rather for lower-level administrative and back office support personnel. Unlike the government, however, many companies have recognized the bottom-line importance of the acquisition function, essentially transforming and adopting a supply management focus and putting in those positions top managers and highly paid professional staff. The private sector treats procurement of services as essential to company success, and thus considers those responsible for that procurement as occupying very strategic, high-value positions in the company.

Harshly critical oversight and bad press have also had an undesirable effect, said many participants. One asked why a young person would go into contracting, given how the government’s contracting function is portrayed in the press. The participant said that publicity, created in part by the “gotcha” approach of some in the auditing community, turns off potential new hires and hurts the existing workforce, causing federal employee attrition. It would help if the inspectors generals and the auditors toned down their criticism of federal contracting employees, said the participant. Another participant said that auditors exacerbate the problem with their reporting of past problems. “There needs to be a more balanced approach to show where the acquisition community performs well,” the participant said, “with positive recognition of federal acquisition management to encourage high-quality people to apply and stay at work in the federal government.” “While the federal government can’t compete in

hiring with the private sector based on salary, it can compete well based on offering a public service career that makes a difference,” said another participant.

Retention is as important as recruiting, said a participant, and must involve well-thought-out career paths. While some new hires are looking for short-term gains and quick advancement, incentives in the government tend to be based on long-term results. In comparison to those in the private sector, government program managers in long-term programs typically rotate every 2 years and frequently do not have time to develop expertise before the end of the tour. The participant suggested that the government develop a new cadre of experienced people who are motivated to have long careers in the federal government.

Several participants mentioned that the way to retain staff is to provide a market-based compensation plan for acquisition workers, recognizing that in the long run, the government may need fewer people, but people with market-based knowledge, skills, and salaries. To motivate employees in a performance management system, the government needs to figure out how to become more skills-oriented and competitive in compensation, said another participant. “To be sure, there are challenges associated with developing such a system,” one participant noted. “Unfortunately, there are no current benchmarks—baseline data—on job responsibility and pay scales across the government to support well-supported judgments on how to revamp pay or position descriptions in the acquisition workforce,” said the participant, who also warned against too heavily focusing on incentives for employees. Monetary incentives for government employees quickly become regarded as entitlements by the workforce, whether or not they are earned.

Managing for Results and Accountability in a Contractor- Dependent Environment

Increasing reliance on contractors to conduct the business of government involves many challenges for the government. These include the early identification of realistic requirements and desired outcomes, accountability for achieving results while contending with the sometimes burdensome governmental acquisition processes, persistent budget pressures, and the recognition that contractor accountability in large part depends on clear direction set by government.

Up-front Planning of Requirements

Many participants said strategic planning for contracting outcomes and measurable results was a critical element in managing a multisector workforce of government employees and contractors. “In the absence of such a focus,” said one participant, “there is not enough clarity for the government employees and contractors about what the government is trying to achieve.” “Federal employees are unable to articulate what they are accountable for achieving because their evaluations are not tied to achievements,” the participant added. Further, the participant stated that when OMB began evaluating the performance of federal programs in 2001, it found that the agencies could not explain what half of the programs were intended to achieve.¹² Another agreed, stressing that the government as a whole lacks outcome-based indicators of performance and focuses on process and spending and not on desired outcomes. “Following processes by dotting the *i*’s and crossing the *t*’s to avoid risk does not guarantee that the desired result will be achieved,” said the participant.

The early identification of requirements for an acquisition was highlighted by many participants as another challenge facing the government. One participant said that clarity of purpose is never obtained when the government acquires a product or service and does not adequately define up-front what it wants. According to another participant, there is a fundamental mismatch among government wants, needs, affordability, and sustainability. Further, if requirements keep changing throughout the life of an acquisition, huge problems persist. Another participant agreed and stated that with enough time and money, the government can do anything, but that does not mean it should. Metrics and milestones are critical for establishing a disciplined approach to acquisition, said a participant.

In addition, many participants felt that before contractors can be held accountable for delivering results, federal managers must be accountable and transparent in the acquisition process. For example, one participant contended that long-term thinking is important, but the government also needs to be tactical and driven to accountability and consequences for not performing on individual acquisitions. He said quarterly or monthly reviews can help create that accountability. Another participant agreed by saying that the government needs to hold individuals accountable for results.

¹² According to OMB, the Program Assessment Rating Tool was developed to assess and improve program performance so that the federal government can achieve better results. Such a review helps identify a program’s strengths and weaknesses to inform funding and management decisions aimed at making the program more effective.

“While planning strategically by identifying outcomes and defining requirements up-front is a challenge for the government, the private sector has been able to accomplish it,” said one participant. According to the participant, before seeking offers from prospective suppliers, leading private sector companies first define their requirements through careful planning and obtaining the buy-in of senior corporate leaders. The participant noted that companies’ procurement executives place considerable emphasis on the benefits of extensive up-front internal consultation and analysis with the company’s business and operational stakeholders in deciding what requirements are to be contracted. As a general rule, they also seek healthy competition in the supplier market in order to promote finding the best solution from vendors. Leading commercial companies are willing to make this kind of investment in the acquisition process in order to arrive at the best outcomes. “It all starts by knowing what you want, but the federal procurement process creates disconnects and shortcuts that discourage effective management practices,” said the participant.

Coping with Inefficient Governmental Processes

Many participants agreed that there are aspects of the federal acquisition process that could be streamlined. One claimed that part of the strategic planning process should identify and use practices that result in effective acquisition outcomes, such as timeliness. Another participant recapped the criticisms of federal acquisition management raised by forum participants—such as lengthy acquisition cycle times and duplicative processes—and contrasted the government’s acquisition performance with private sector’s supply management and procurement excellence.

The participant noted that private sector companies have a clear focus on strategically managing their supplier bases for competitive advantage. Public policy, however, shapes federal procurement and acquisition processes to promote sometimes conflicting objectives that undermine strategic procurement and supply management effectiveness, such as unbundling large contract requirements to support small businesses. He commented that these public policy requirements impose costs such as longer cycle times, the need for more people, more administrative process, and a less clear focus on business objectives than in the private sector.

Another participant added that there are simply too many layers of bureaucracy in the acquisition process and not enough focus on results. There is also a need to look at using technology or electronic procurement and commerce tools to streamline and automate acquisition business

processes, which in turn will also influence the types of skills the acquisition workforce will need in the future.

Finally, several participants highlighted the budget process and pressures as a challenge in federal acquisition. Often, Congress does not complete the budget on time and uses continuing resolutions to fund government activities, said one participant. This leads to poor outcomes, management inefficiencies, and wasted taxpayer dollars. For example, agencies are unable to finalize or renew contracts in a timely manner. The federal budget is fundamental to management, the participant noted. Companies do not manage their finances this way and neither should the government. Further, another participant noted that managers do not want to save money in the contracting process because Congress will cut the agency's future budget. The chronically late federal budget and appropriations process promotes the pervasive "spend the budget" mentality, actually creating incentives for waste and inefficiency in contract management. Another participant noted there is also an impact on the contractor when a budget is not in place, such as spending money negotiating "bridge contracts," which increase the contractors' costs.

Section 2: Opportunities for Improving Federal Acquisition in the 21st Century

Participants offered up a range of examples, ideas, and viewpoints that identified opportunities for improving federal acquisition. There was general agreement that improvement could be achieved through (1) identifying best practices and innovative approaches from the private sector, state, local, and federal governments, as well as from foreign governments, and (2) creating a culture for sharing knowledge and improving acquisition practices. Highlights of this discussion are summarized below.

Identifying Best Practices and Innovative Approaches

Participants pointed to using best practices as a way to improve federal acquisition by adopting more strategic, results-oriented, and ethical business processes and capabilities. Participants suggested that the federal government incorporate, when appropriate, the many best practices of the commercial sector as well as from federal, state, local and foreign governments. Participants also cited examples where the federal government has had success in using contracting approaches that are working well.

One participant stated that opportunities for improving federal acquisition can come from using commercial best practices. “The government has adopted some commercial best practices at various points, but there are opportunities to learn about more. Most commercial best practices are permissible under current federal acquisition laws.” The participant explained that commercial entities take a corporate approach to managing acquisition of services and invest a great deal in planning and clearly defining the requirements for a prospective contract. They are willing to invest in the time and effort up-front to do this right, even if it takes 6 months. According to the participant, one potential strategy for improving federal acquisition is to conduct periodic surveys of the private sector’s best practices. “This would be far better than the current approach of defining commercial practice in law and regulation, because current federal law and regulation may not accurately reflect evolving commercial practices for acquisition,” said the participant.

To improve the quality of service and acquisition management, participants pointed to a number of initiatives where the government created innovative contracting approaches that led to a successful outcome. In each of these examples, participants explained that government personnel were encouraged not only to follow federal acquisition regulations, but also to think of ways to increase the value that the government gets out of its contracts. Each of the examples was

performed without the benefit of special legislation and was the result of initiative and good management:

- The United States Postal Service, facing a dire financial position, made a decision to adopt commercial best practices for supply management. The Postal Service has come a long way with its supply management transformation, but that change process was a long-term effort and is still a work in progress.
- The Department of Homeland Security's (DHS) strategic sourcing of pistols was highlighted as a success.¹³ By applying strategic sourcing methods modeled after commercial best practices, DHS was able to leverage its buying power in the procurement of weapons, reducing its decentralized purchasing of over 50 types of pistols from a large number of suppliers to a standardized choice of three to four types of pistols, under contracts with a few large and small businesses.
- The Defense Logistics Agency (DLA) in Philadelphia created agreements with one retail food corporation and its uniform supplier to stop production of employee uniforms and produce and supply DLA with military uniforms in case of a surge in DLA requirements.
- DOD created agreements with the General Services Administration (GSA) and commercial airlines to ensure the airlines will provide military airlift capacity during a national emergency.¹⁴
- Before soliciting a new contract for veterans' home loan mortgage services, the Department of Veterans Affairs found that its current process for paying its contractor did not reflect commercial best

¹³ Strategic sourcing is the collaborative and structured process of analyzing an organization's spending by standardized categories of goods and services (i.e., commodities) and using the information to develop strategies to reduce all costs associated with purchasing a given commodity and also to improve mission delivery.

¹⁴ Under the Civil Reserve Air Fleet program, U.S. commercial air carriers commit under contract with DOD to put aircraft into use during emergencies. The airlines receive no compensation for their participation in the reserve fleet unless they are activated, but they are given an incentive to participate by being made eligible to bid for DOD's peacetime airlift business. Only carriers that participate in the Civil Reserve Air Fleet program can bid in peacetime airlift business. Another incentive is the airlines' participation in GSA's City Pairs program, which provides discounted air passenger transportation services to federal government travelers.

practices, and contributed to higher government costs. As a result, the department offered an incentive to spur higher loan repayment performance, paying the new mortgage services contractor based on the percentage of veterans' home loan repayments, saving millions of dollars.

- The Army's Communications Electronics Command, which buys night vision equipment for the military, made arrangements for its suppliers to buy back older and technically obsolete versions of night vision equipment from the Army's inventory because they realized that the suppliers would be able to get a better price on the commercial market.
- The Naval Sea Systems Command established an electronic marketplace under its Seaport initiative that uses a Web-based acquisition process which vastly expedites the competitive award of its contracts. The Seaport tool has greatly shortened the command's average time frame for awards, saving proposal and evaluation costs for both contractors and Navy officials. For example, a \$150 million task order award, typically taking 6 to 12 months to be awarded, took 90 days under Seaport; another \$32 million financial management contract was solicited and awarded in 30 days.
- The Army's Logistics Civil Augmentation program (LOGCAP) uses private contractors to provide logistics support in war and in other contingencies. One participant noted that in Iraq and elsewhere, LOGCAP currently provides critical services to the military more efficiently than if the services were to do the work themselves.¹⁵

Participants also highlighted the value of looking to state, local, and international procurement communities for best practices. Several participants pointed to foreign examples that could serve as models for the federal competitive sourcing process, highlighting Australia, Britain, and the European Union, in particular. According to participants:

- Australia and Britain have advanced far beyond what the U.S. government is doing in procurement innovations. The United States

¹⁵ Under the LOGCAP program, the Army uses private sector contractors to provide a range of support to U.S. forces, including laundry and bath, food service, sanitation, billeting, maintenance, and power generation. As of January 2005, LOGCAP has involved more than \$15 billion in estimated work by contractors.

should pursue more innovation in the outsourcing of work currently being performed by government employees, drawing on international public management approaches. These two countries have taken more thoughtful approaches to outsourcing government activities and are trying to manage by being very deliberative in studying what should and can be effectively outsourced.

- Britain's management of public-private partnerships is an example of an opportunity for improving acquisitions of key services by the United States. It took the British government over 10 years to build a good model for public-private partnerships between agencies and private contractors. Its 1990 reforms successfully began a private financing initiative that removed bureaucracy and increased speed in acquisition by developing models for risk sharing.
- Another model from Britain is its creation of a partnerships office as part of a broader effort to improve its public-private partnerships capacity. This government office helps agencies become smarter purchasers of services by standardizing contracts, providing help desk support, highlighting best practices, and rotating employees in and out of agencies for temporary assistance.
- There may be value in looking at the European Union's intergovernmental effort to develop a more unified and open market system of public procurement. The European Union developed minimum standardized requirements across a range of products and services and requires that member governments use these standards when contracting.

One participant noted that the Defense Acquisition University (DAU) participates in forums with allied countries, including Britain, Germany, and Australia, to share best practices. DAU describes other countries' acquisition systems on its Web site, and a report is compiled and updated continually to maintain accuracy of this knowledge-sharing database. DAU also worked closely with the Australian government to help it establish a government managers training certification effort for construction program management that includes contracting elements.

In examining foreign procurement models, several participants noted differences in foreign political and acquisition processes should be taken into consideration as approaches are considered. One participant explained that some foreign governments, such as those of New Zealand, Australia, and Britain, are less relevant because they have very different political structures and bureaucracies. Other participants agreed that their

practices may be beneficial, but one must always keep such political considerations in mind.

On the other hand, while several participants conceded that there is value in looking overseas for best practice models, they noted that other countries are actually looking to American government as a model for their acquisition management approach. The participant explained that our system places emphasis on best value, which is different from other international procurement systems. Further, another participant said, “the federal procurement system in the U.S. looks better and better once one starts looking closely at other systems.”

Creating a Culture for Sharing Knowledge and Improving Federal Acquisition

In sharing knowledge about improving federal acquisition, participants provided insights and examples as to why it is so important to create an organizational culture that will support ongoing improvement in acquisition practices in the 21st century.

In order to create and implement innovative acquisition policies as well as to run an effective organization, well-trained, effective leaders are needed throughout an organization, according to several participants. “The government needs to raise the talent bar of agency management staff,” said one participant. Several participants pointed to ways the government could improve its leadership and cited several worthy initiatives. “If the government wants to promote certain behaviors,” the participant added, “it needs to stress their importance.” The annual Service to America awards jointly sponsored by media and public affairs organizations, which recognize federal employees and managers for their truly heroic and laudable efforts on the job, is one worthwhile program that could be expanded into the acquisition arena.

Another initiative could be the introduction of the chief management or operating officer concept, said one participant. Further, other participants focused on the value of mixing government and private sector employees through executive exchange programs. According to one participant, the federal Senior Executive Service was envisioned to be a cadre of leaders who would rotate through various positions. The participant also cited DOD’s Acquisition Demonstration Project as a successful program that is no longer in effect. “The government could do a better job of government and commercial exchanges that would allow the government to have a blend of new and seasoned workers,” agreed another participant. According to the participant, programs like these could bring down the

barriers that keep government and contractors from partnering and collaborating, reducing adversarial and distrustful climates.

Other participants stated that senior government officials, such as career senior executives and political appointees, need to be trained so they can effectively oversee agencies' acquisition performance. Several participants cited and others agreed that DAU is a good model for training military leaders in procurement. Also, one participant highlighted that the Department of Interior has similarly revamped its training for executives and political appointees in the procurement area. Agreeing, another participant highlighted the importance of developing leaders that have the ability to foster effective supplier relationships. According to the participant, supplier relationship management is how industry has learned to unlock additional value through collaboration with suppliers to achieve innovation and a competitive edge. He said the government needs to look at the supplier relationship management opportunity as a matter of joint success between an agency and its suppliers.

In terms of the federal government, one participant stated OFPP is theoretically the entity that should "lead by example" in sharing knowledge by identifying best practices. Another participant maintained that OFPP is in a position to share best practices and does so indirectly through forums and interagency working groups, such as its Chief Acquisition Officers Council. According to the participant, OFPP has established working groups on almost every one of the topics addressed in the forum. For example, one OFPP Web site, the Acquisition Center of Excellence for Services, provides examples of performance-based contracts intending to help agencies write better contracts.¹⁶ In contrast, another participant questioned whether OFPP had adequate numbers of staff and if it was equipped with the necessary strategic planning abilities.

Two other ways that best practices are shared that were highlighted included events such as this GAO forum and bodies of work that assess and highlight best practices. Several participants suggested that GAO issue more reports on best practices in this area.

¹⁶ See the Web site at <http://www.acqnet.gov/comp/ace/index.html>

Appendix I: Forum Participants

Moderator

David M. Walker Comptroller General of the United States
U.S. Government Accountability Office

Participants

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Tom Luedtke	Assistant Administrator for Procurement National Aeronautics and Space Administration
Marcia G. Madsen	Partner Mayer, Brown, Rowe, & Maw, LLP
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Katherine Schinasi	Managing Director, Acquisition and Sourcing Management U.S. Government Accountability Office
Steven L. Schooner	Associate Professor of Law and Co-Director, Government Procurement Law Program George Washington University Law School
Keith Strange	Associate Partner IBM Business Consulting
G. Martin Wagner	Acting Deputy Commissioner, Federal Acquisition Service U.S. General Services Administration
Bill Woods	Director, Acquisition and Sourcing Management U.S. Government Accountability Office

Appendix II: Forum Agenda

8:30 a.m.	Check-in/Continental Breakfast
8:45 a.m.	Welcome and Discussion of Current Acquisition Environment David M. Walker, Comptroller General of the United States
9:15 a.m.	Key Challenges in a Contractor-Dependent Acquisition Environment What are the key challenges the federal government must address in order to operate effectively within an environment of extensive and increasing reliance on contractors?
10:00 a.m.	Break
10:15 a.m.	Continuation of Key Challenges Discussion
11:30 a.m.	Break
11:45 a.m.	Working Lunch: Opportunities for Sharing Best Practices and Improving Federal Acquisition in the 21st Century How can the federal government adopt more strategic, results-oriented, world class, and ethical business processes and capabilities in federal acquisition?
1:00 p.m.	Adjourn

Appendix III: Questions Provided in Advance to Forum Participants

Challenges

Proposed questions to address include the following:

- What are the forces that have led the federal government to increasingly rely on contractors to perform certain functions? Are we locked into reacting to these forces? Are new criteria needed to better decide on a periodic basis what functions to turn over to the private sector and what to retain in-house to maintain expertise and direct responsibility? When the federal government chooses to outsource core functions, how does it consider contingency planning?
- How can we help federal managers recognize that involving “partners” (even profit-motivated contractors) to produce government services places more—not less—responsibility on them?
- How can the government clarify and make more transparent to the public the roles and shared responsibilities of federal employees and private contractors?
- If officials must be accountable to taxpayers for the basic work of government, what changes are needed in terms of transparency and accountability for work performed or assisted by contractors?
- How can the government balance the benefits and risks associated with increased reliance on the private sector as a provider of goods and services?
- Where there are examples of government reliance on contractors, what are the key benefits realized (efficiencies, savings, quality) and lessons to be learned from such examples? Are there lessons to be learned from agencies such as IRS and DOD—which are in the process of outsourcing tax debt collection and military mail delivery—on the deliberative process for addressing the risks and benefits of subjecting long-held governmental functions to contractor competition and performance?
- Where problems have been identified, are the causes well understood? Do corrections need to be made in laws and regulations or in policies and practices?
- What are the workforce skills and abilities needed for agency acquisition and program managers to produce “public value” results or outcomes in programs that rely on the performance of contractors? How and when should tasks and functions be adjusted when skills are not present?
- What tools and strategies are available to help agency managers gain awareness and be proactive regarding potential or actual organizational conflicts among contractors? What are the steps necessary in the acquisition process to prevent or mitigate personal and organizational conflicts of interest?

- What is the proper role of government regarding subcontracts and subcontractor management, and are further efforts needed to minimize pass-throughs and layering?

Opportunities

Proposed questions to address include the following:

- What is the potential for wider adoption of proven commercial best practices for acquisition management?
- As agencies deliberate business case decisions to acquire goods and services, is there adequate focus on needs versus wants?
- Of the strategic sourcing plans adopted by agencies, what are the options for organizational and business process changes to help institutionalize enterprisewide collaboration in buying processes, in terms of governance structure, goals and objectives, and performance measures?
- Are there examples of effective performance-based services contract¹ work statements that describe desired outcomes in measurable terms as well as the method of assessing contractor performance against standards?
- Are new contract implementation strategies or agency organizational functions needed to effectively manage performance-based service contracts, particularly for more complex services?
- When are performance-based contracts not appropriate?
- How are financial and nonfinancial incentives being used to reward contractors for performance and results? In what ways do these measures ensure that performance-based incentive contracts are used to reward results rather than just effort?
- How will we know that progress is being made by agencies in making more cost-effective and strategic use of other agencies' contracts?
- Have the benefits of interagency and fee-for-service contracting among and between government agencies been realized?
- Should the government continue to do business with contractors who are delinquent on their federal taxes? Are suspension and debarment procedures effective?

¹ Performance-based acquisition means an acquisition structured around the results to be achieved as opposed to the manner by which the work is to be performed. Performance-based contracts for services must include a performance work statement that describes the desired outcomes in measurable terms as well as the method of assessing contractor performance against standards.

- Is a more level playing field needed for contractor payments—should contractors owe the government interest on overpayments when the government now has to pay interest on late payments?
- Is there interest in establishing and promoting acquisition and managerial executive exchanges between the government and the private sector to gain and share expertise, knowledge, and experiences between sectors as a way to improve the acquisition function?

Related GAO Products

The following is a selected listing of recent GAO products relevant to the issues covered in the forum.

DOD Acquisitions: Contracting for Better Outcomes. [GAO-06-800T](#). Washington, D.C.: September 7, 2006.

Nuclear Cleanup of Rocky Flats: DOE Can Use Lessons Learned to Improve Oversight of Other Sites' Cleanup Activities. [GAO-06-352](#). Washington, D.C.: July 10, 2006.

Contract Management: DOD Vulnerabilities to Contracting Fraud, Waste, and Abuse. [GAO-06-838R](#). Washington, D.C.: July 7, 2006.

Medicare Part D: Prescription Drug Plan Sponsor Call Center Responses Were Prompt, but Not Consistently Accurate and Complete. [GAO-06-710](#). Washington, D.C.: June 30, 2006.

Defense Management: Attention Is Needed to Improve Oversight of DLA Prime Vendor Program. [GAO-06-739R](#). Washington, D.C.: June 19, 2006.

Homeland Security: Contract Management and Oversight for Visitor and Immigrant Status Program Need to Be Strengthened. [GAO-06-404](#). Washington, D.C.: June 9, 2006.

2010 Census: Census Bureau Generally Follows Selected Leading Acquisition Planning Practices, but Continued Management Attention Is Needed to Help Ensure Success. [GAO-06-277](#). Washington, D.C.: May 18, 2006.

Coast Guard: Changes in Deepwater Acquisition Plan Appear Sound, and Program Management Has Improved, but Continued Monitoring Is Warranted. [GAO-06-546](#). Washington, D.C.: April 28, 2006.

Contract Management: Increased Use of Alaska Native Corporations' Special 8(a) Provisions Calls for Tailored Oversight. [GAO-06-399](#). Washington, D.C.: April 27, 2006.

Hurricane Katrina: Planning for and Management of Federal Disaster Recovery Contracts. [GAO-06-622T](#). Washington, D.C.: April 10, 2006.

Contract Security Guards: Army's Guard Program Requires Greater Oversight and Reassessment of Acquisition Approach. [GAO-06-284](#). Washington, D.C.: April 3, 2006.

Defense Acquisitions: Assessments of Selected Major Weapon Programs. [GAO-06-391](#). Washington, D.C.: March 31, 2006.

Homeland Security: Successes and Challenges in DHS's Efforts to Create an Effective Acquisition Organization. [GAO-05-179](#). Washington, D.C.: March 29, 2005.

GAO's High-Risk Program. [GAO-06-497T](#). Washington, D.C.: March 15, 2006.

Federal Bureau of Investigation: Weak Controls over Trilogy Project Led to Payment of Questionable Contractor Costs and Missing Assets. [GAO-06-306](#). Washington, D.C.: February 28, 2006.

Media Contracts: Activities and Financial Obligations for Seven Federal Departments. [GAO-06-305](#). Washington, D.C.: January 13, 2006.

NASA: Implementing a Knowledge-Based Acquisition Framework Could Lead to Better Investment Decisions and Project Outcomes. [GAO-06-218](#). Washington, D.C.: December 21, 2005.

Defense Acquisitions: DOD Has Paid Billions in Award and Incentive Fees Regardless of Acquisition Outcomes. [GAO-06-66](#). Washington, D.C.: December 19, 2005.

U.S. Postal Service: Purchasing Changes Seem Promising, but Ombudsman Revisions and Continued Oversight Are Needed. [GAO-06-190](#). Washington, D.C.: December 15, 2005.

Defense Management: DOD Needs to Demonstrate That Performance-Based Logistics Contracts Are Achieving Expected Benefits. [GAO-05-966](#). Washington, D.C.: September 9, 2005.

Framework for Assessing the Acquisition Function at Federal Agencies. [GAO-05-218G](#). Washington, D.C.: September 1, 2005.

Medicare Contracting Reform: CMS's Plan Has Gaps and Its Anticipated Savings Are Uncertain. [GAO-05-873](#). Washington, D.C.: August 17, 2005.

Interagency Contracting: Franchise Funds Provide Convenience, but Value to DOD is Not Demonstrated. [GAO-05-456](#). Washington, D.C.: July 29, 2005.

Energy Savings: Performance Contracts Offer Benefits, but Vigilance Is Needed to Protect Government Interests. [GAO-05-340](#). Washington, D.C.: June 22, 2005.

Financial Management: Thousands of Civilian Agency Contractors Abuse the Federal Tax System with Little Consequence. [GAO-05-637](#). Washington, D.C.: June 16, 2005.

Interagency Contracting: Problems with DOD's and Interior's Orders to Support Military Operations. [GAO-05-201](#). Washington, D.C.: April 29, 2005.

Defense Logistics: High-Level DOD Coordination Is Needed to Further Improve the Management of the Army's LOGCAP Contract. [GAO-05-328](#). Washington, D.C.: March 21, 2005.

Contract Management: Opportunities to Improve Surveillance on Department of Defense Service Contracts. [GAO-05-274](#). Washington, D.C.: March 17, 2005.

Federal Acquisition: Progress in Implementing the Services Acquisition Reform Act of 2003. [GAO-05-233](#). Washington, D.C.: February 28, 2005.

Contract Management: The Air Force Should Improve How It Purchases AWACS Spare Parts. [GAO-05-169](#). Washington, D.C.: February 15, 2005.

Contract Management: Opportunities to Improve Pricing of GSA Multiple Award Schedules Contracts. [GAO-05-229](#). Washington, D.C.: February 11, 2005.

Best Practices: Using Spend Analysis to Help Agencies Take a More Strategic Approach to Procurement. [GAO-04-870](#). Washington, D.C.: September 16, 2004.

Contract Management: Guidance Needed to Promote Competition for Defense Task Orders. [GAO-04-874](#). Washington, D.C.: July 30, 2004.

Military Operations: DOD's Extensive Use of Logistics Support Contracts Requires Strengthened Oversight. [GAO-04-854](#). Washington, D.C.: July 19, 2004.

The Chief Operating Officer Concept and its Potential Use as a Strategy to Improve Management at the Department of Homeland Security. [GAO-04-876R](#). Washington, D.C.: June 28, 2004.

NASA: Lack of Disciplined Cost-Estimating Processes Hinders Effective Program Management. [GAO-04-642](#). Washington, D.C.: May 28, 2004.

Federal Acquisition: Increased Attention to Vehicle Fleets Could Result in Savings. [GAO-04-664](#). Washington, D.C.: May 25, 2004.

Tax Debt Collection: IRS Is Addressing Critical Success Factors for Contracting Out but Will Need to Study the Best Use of Resources. [GAO-04-492](#). Washington, D.C.: May 24, 2004.

HUD Single-Family and Multifamily Property Programs: Inadequate Controls Resulted in Questionable Payments and Potential Fraud. [GAO-04-390](#). Washington, D.C.: March 3, 2004.

Defense Management: Continuing Questionable Reliance on Commercial Contracts to Demilitarize Excess Ammunition When Unused, Environmentally Friendly Capacity Exists at Government Facilities. [GAO-04-427R](#). Washington, D.C.: April 2, 2004.

Competitive Sourcing: Greater Emphasis on Increasing Efficiency and Improving Performance. [GAO-04-367](#). Washington, D.C.: February 27, 2004.

Financial Management: Some DOD Contractors Abuse the Federal Tax System with Little Consequence. [GAO-04-95](#). Washington, D.C.: February 12, 2004.

Contract Management: High-Level Attention Needed to Transform DOD Services Acquisition. [GAO-03-935](#). Washington, D.C.: September 10, 2003.

Best Practices: Improved Knowledge of DOD Service Contracts Could Reveal Significant Savings. [GAO-03-661](#). Washington, D.C.: June 9, 2003.

Best Practices: Setting Requirements Differently Could Reduce Weapon Systems' Total Ownership Costs. [GAO-03-57](#). Washington, D.C.: February 11, 2003.

Acquisition Management: Agencies Can Improve Training on New Initiatives. [GAO-03-281](#). Washington, D.C.: January 15, 2003.

Military Readiness: Civil Reserve Air Fleet Can Respond as Planned, but Incentives May Need Revamping. [GAO-03-278](#). Washington, D.C.: December 30, 2002.

Acquisition Workforce: Status of Agency Efforts to Address Future Needs. [GAO-03-55](#). Washington, D.C.: December 18, 2002.

DOE Contractor Management: Opportunities to Promote Initiatives That Could Reduce Support-Related Costs. [GAO-02-1000](#). Washington, D.C.: September 20, 2002.

Acquisition Workforce: Department of Defense's Plans to Address Workforce Size and Structure Challenges. [GAO-02-630](#). Washington, D.C.: April 30, 2002.

Best Practices: Taking a Strategic Approach Could Improve DOD's Acquisition of Services. [GAO-02-230](#). Washington, D.C.: January 18, 2002.

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