

***\*\* Please share these Notes within your agency! \*\****

## **Notes from OFPP January 2012**

Happy New Year! There have been some big changes since our last newsletter. Shortly after Dan's departure for his new position at GWU Law School, President Obama announced the appointment of OMB Director Jack Lew as the next White House Chief of Staff. As Jack begins his new duties, OMB Deputy Director for Management Jeff Zients will serve as the Acting Director of OMB. Working together, we accomplished a great deal over the past year, and all of us at OFPP and OMB are looking forward to continuing to build on those successes as we enter 2012.

There are exciting developments on the horizon in the areas of strategic sourcing, information technology reform, vendor communication, and many other areas, but we'll start this month with an example of successful acquisition savings.

### **Spotlight on Success**

#### **Commerce Achieves Acquisition Savings Through Re-scoping & Renegotiating**

During FY2011, the Department of Commerce engaged in continuous efforts to lower costs and promote acquisition savings. Efforts included renegotiation of labor rates and annual escalations to lower overall costs, as well as analysis of contract requirements and levels of efforts to identify potential re-scoping. These efforts have produced results, and Commerce's Census Bureau negotiated and achieved a 15% overall cost saving (\$4.7M off a \$33.5M proposal) on its contract for enterprise-wide software products & services over a 5-year lifecycle. Savings were achieved by negotiating down the price of the software, negotiating a 50% reduction in labor hours and in the cost of technical assistance personnel, eliminating training costs, and reducing annual escalation costs from 6% to 2%.

#### **Congratulations!**

The Federal 100 Awards recognize government and industry leaders who have played important roles in the Federal government IT community by going above and beyond their daily responsibilities to truly make a difference in the way the Federal government utilizes technology. The winners of the awards for 2012 were recently announced, and we're pleased to congratulate three individuals from the OMB team: Deputy Director for Management Jeff Zients, former Administrator Dan Gordon, and Associate Administrator Joanie Newhart. Congratulations, and thanks for all of your efforts!

## **Campaign to Cut Waste**

On June 13, 2011, the President issued an Executive Order on Delivering an Efficient, Effective and Accountable Government which resulted in the Administration's Campaign to Cut Waste. As part of the campaign, OMB issued additional guidance and information, linked below for your reference, to help agencies save money and become more efficient. Agencies are making strides and have identified savings in various areas:

- Converting documents to web-only publications
- Implementing various paperless initiatives
- Eliminating low-use copiers/printers
- Reducing conference attendance, especially those outside the employees' local area
- Increasing the use of teleconferences and webinars
- Increasing the use of strategic sourcing, both through the government-wide initiatives and individual agency initiatives
- Implementing controls over spending on management support services and other advisory services
- Reducing the size of their fleets
- Consolidating IT systems.

All of these efforts cross acquisition, finance and information technology, so you should be aware of them. Or perhaps you have ideas on other ways to cut waste? If so, feel free to send them to Jeremy McCrary at [jmccrary@omb.eop.gov](mailto:jmccrary@omb.eop.gov).

You can find out more about the Campaign to Cut Waste here:

- Executive Order 13576, "Delivering an Efficient, Effective and Accountable Government," available at <http://www.whitehouse.gov/the-press-office/2011/06/13/executive-order-delivering-efficient-effective-and-accountable-government>.
- OMB memo, "Campaign to Cut Waste," available at <http://www.whitehouse.gov/sites/default/files/omb/financial/campaign-to-cut-waste.pdf>.
- OMB memo "Reduced Contract Spending for Management Support Services," available at <http://www.whitehouse.gov/sites/default/files/omb/procurement/memo/reduced-contract-spending-for-management-support-services.pdf>.
- OMB memo, "Development, Review and Approval of Business Cases for Certain Interagency and Agency-Specific Acquisitions," available at <http://www.whitehouse.gov/sites/default/files/omb/procurement/memo/development-review-and-approval-of-business-cases-for-certain-interagency-and-agency-specific-acquisitions-memo.pdf>.

## Career Corner

- **How can we help you?**

We work diligently with our colleagues from the Federal Acquisition Institute (FAI), the Defense Acquisition University (DAU), and across the agencies to develop timely, relevant, and helpful training for all of you, but we realize that training is only one part of developing your career. We're also interested in hearing what other tools or opportunities would be helpful in your development as a member of the acquisition workforce. To that end, how would you fill in the following sentence: "I could do my job better if \_\_\_\_\_?" We're excited to hear your responses, and there are no wrong answers! Please send your responses to Joanie Newhart: [jnewhart@omb.eop.gov](mailto:jnewhart@omb.eop.gov).

- **Certification Changes**

We've received a lot of questions regarding the recent changes to DoD's contracting certification program, which became effective on October 1, 2011. To answer the most common question: the Federal civilian agency certification program did not change at that time. The Contracting Functional Advisory Board (CON-FAB), a multi-agency group of contracting experts, will provide OFPP with recommendations for refreshing the Federal Acquisition Certification in Contracting (FAC-C) program. Any changes to the civilian agency certification program will be designed to best prepare the Federal civilian workforce for success, and we assure you that ample transition time will be provided for any changes to the program. So stay tuned! If you have any questions, contact Joanie Newhart at [jnewhart@omb.eop.gov](mailto:jnewhart@omb.eop.gov).

- **Career Opportunity**

The Government Accountability Office (GAO) is looking for an experienced 1102 to fill a GS-14-equivalent pay-banded position. The incumbent serves as the Deputy Director for Acquisition Management and is responsible for the day-to-day management of the Procurement Operations and Policy Branch, which provides a full range of acquisitions services from acquisition planning through contract closeout. The position closes on February 10, 2012, and additional details can be found here: <http://www.usajobs.gov/GetJob/ViewDetails/307895900>.

- **RAP-C Events**

Mark your calendar for the next two RAP-Ceries events, hosted by the Rising Acquisition Professionals Community (RAP-C). On the afternoon of March 6, 2012, the topics will include vendor engagement, emergency contracting, and effective business advising. The May 9<sup>th</sup> event will focus on presentation and public speaking skills. Both events will be held at the Department of Education. RAP-Ceries events are designed to provide participants with career development support and opportunities for peer networking and

education. For more information regarding RAP-C and their upcoming events, please contact Alexander Mavroukakis, [Alex.Mavroukakis@ed.gov](mailto:Alex.Mavroukakis@ed.gov).

### **FAR Changes**

FAC 2005-55 was published in the Federal Register on January 3<sup>rd</sup>, 2011. This FAC includes a number of changes to the FAR, including rules relating to business cases for interagency contracts, brand-name specifications, time and materials and labor hours contracts for commercial items, and public access to FAPIIS. Additionally, the FAC contains updated website references related to the first phase of the System for Award Management and the Financial Accounting Standards Board, as well as a number of technical corrections. The FAC is available here: <https://www.federalregister.gov/articles/2012/01/03/2011-33405/federal-acquisition-regulation-federal-acquisition-circular-2005-55-introduction#p-8>.

### **Calculating Procurement Costs**

As we embark upon more rigorous strategic sourcing and administrative savings efforts, we've seen time and again that accurate data is essential to success. This is true for data regarding the costs of the goods and services we buy as well as for the costs, in agency resources, that are expended in awarding and administering contracts, and we'd be interested in your input. For example, has your agency estimated the labor costs associated with awarding and administering a 5-year contract of medium and/or high complexity? How about for delivery orders? Any information, either in general terms or in specific models, would be very helpful, and can be sent to Jim Wade at [jwade@omb.eop.gov](mailto:jwade@omb.eop.gov).

Until next month, thank you for all of your hard work.



Lesley A. Field  
Acting Administrator for Federal Procurement Policy

***\*\* Please share these Notes within your agency! \*\****

Issues of Notes from the Administrator are available online for any employee of the executive branch in the Acquisition area of the MAX Federal Community. The MAX community is open to Federal government employees with a valid .gov, .mil, or .fed.us email address, and you can register here: <https://max.omb.gov/maxportal/registrationForm.do>.

Once you're registered, you can find the Notes from the Administrator here: <https://max.omb.gov/community/x/cYJ2I>.