

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

Notes from OFPP February/March 2012

There is, as always, a lot going on in the procurement world, but I want to start this month with some OFPP news – on February 3rd, President Obama announced the nomination of Joseph Jordan to be the next Administrator for Federal Procurement Policy. Joe is currently serving as a Senior Advisor to Jeff Zients, the Acting Director of OMB, and before that served as the Associate Administrator for Government Contracting and Business Development at SBA. Prior to his government service, Joe specialized in developing purchasing and supply management strategies for the global management firm McKinsey & Company. Please join us in congratulating Joe!

Spotlight on Success

- **NASA Reduces Risk By Encouraging Competition**
NASA's Science Office for Mission Assessments (SOMA) evaluates Government and industry proposals for NASA's most critical science programs, including planetary, solar, and earth science missions, many of which are valued in the billions of dollars. For years, SOMA had a procurement in place to provide support for evaluation of proposals submitted in response to Announcements of Opportunity (AOs) and Broad Agency Announcements (BAAs), as well as to perform independent assessments of NASA programs and missions. The existing contract was considered a high-risk contract because only one offer was received on three previous competitions, spanning a period of 15 years. In recompeting this requirement, the source evaluation board pursued an aggressive outreach strategy to identify qualified small businesses and to encourage their participation in the procurement. As a result of this outreach, the procurement was set aside for small businesses, proposals from five small businesses were received, and award was made to a woman-owned small disadvantaged business. In addition to reducing risk by generating competition and significantly improving NASA's performance in meeting its socio-economic goals, award to a small business also reduces the risk of organizational conflicts of interest, because there is less likelihood of a conflict.

These results were achieved as the result of a holistic approach to strategy development that involved focused outreach and marketing efforts and fostered risk-accepting and trusting relationships among team members. These innovative practices were captured in the form of lessons learned that were provided to peers and shared throughout NASA.

- **AbilityOne Partnership Delivers Quality Service, Creates Jobs for People with Disabilities (including Veterans) and Utilizes Small Businesses**

The Mark Center in Alexandria, Va. was constructed to LEED Gold certification and houses eight defense agencies and field activities in conjoined 15 and 17 foot towers. In 2011, the Department of Defense's Washington Headquarters Service (WHS) partnered with the AbilityOne Program to maintain and operate the facilities, providing services to more than 6,400 Department of Defense tenants. The prime contract with ServiceSource, an AbilityOne authorized provider, provides experienced management and a single point of contact for the Government. The contract has already created jobs for more than 113 individuals with significant disabilities, whose duties include operation of the on-site conference center as well as traditional facilities maintenance. It also creates opportunities for small businesses at the subcontract level and targeted employment for veterans. Three AbilityOne nonprofit agencies and 15 small businesses are currently involved in providing the services. To date, 64 veterans are employed in various positions on the contract, including 45 veterans with service-connected disabilities and 9 Wounded Warriors. Wounded Warriors are eligible to participate in an electrical apprenticeship program at the Mark Center, as well. If you have questions or would like to learn more about utilizing AbilityOne for the provision of services, contact George Selby, Director of Communications, at (703) 603-2141 or gselby@abilityone.gov.

Contracting Smarter, Saving More

On February 24th, Danny Werfel, Controller of the Office of Federal Financial Management, authored a post titled "Contracting Smarter, Saving More," on the OMB blog. The post does a great job of highlighting much of your hard work over the last two years, including efforts to eliminate unnecessary requirements, to reduce risk in contracting, to drive savings via strategic sourcing, and to hold bad actors and poor performers responsible. The successes he describes would not be possible without your efforts, and that is true for our ongoing initiatives as well. You should be proud of the work you've done to achieve a better return for every taxpayer dollar, and we look forward to continuing that work. The blog is available here: <http://www.whitehouse.gov/blog/2012/02/24/contracting-smarter-saving-more>.

Performance Goals

As part of the Administration's ongoing efforts to improve performance, promote efficiency, and obtain the best value for every taxpayer dollar, a number of specific agency and cross-agency goals have been developed. Of particular interest for the acquisition community, one of the priority goals focuses on strategic sourcing, setting a target of utilizing strategic sourcing for at least two new commodities or services in both 2013 and 2014, for savings of at least 10%. More

detailed information about this goal is available at www.performance.gov/goals_2013, and additional implementation guidance will be coming soon.

Cloud Computing

On February 24th, the CIO Council, CAO Council, and Federal Cloud Compliance Committee released a white paper titled “Creating Effective Cloud Computing Contracts for the Federal Government: Best Practices for Acquiring IT as a Service” (available at <http://cio.gov/cloudbestpractices.pdf>). This guide, which was developed through collaboration among the IT, acquisition, legal, and program management communities, enables Federal agencies to make smarter, more informed cloud purchasing decisions by utilizing lessons learned and best practices of early adopters. Specifically, it examines ten top issues that Federal agencies should consider when procuring cloud computing services, including topics like service level agreements, terms of service, privacy, the Freedom of Information Act, recordkeeping, security, and e-discovery. The document facilitates the effective procurement of cloud systems by examining these issues within the context of existing regulations and laws. It also includes a list of practical questions that agencies can use to develop cloud computing services acquisitions as they begin to transfer services to the cloud in accordance with the Federal Cloud Computing Strategy (available at <http://www.cio.gov/documents/federal-cloud-computing-strategy.pdf>).

Biobased and Sustainable Product Procurement

On February 21, President Obama issued a Presidential Memorandum titled “Driving Innovation and Creating Jobs in Rural America through Biobased and Sustainable Product Procurement.” The memo recognizes the progress made in implementing the Department of Agriculture’s BioPreferred program and the need to collect better data on federal biobased procurements. To that end, the memo asks agencies to take additional steps in planning for, acquiring, and documenting sustainable acquisitions, and many of these steps build upon existing processes that agencies can leverage to further this important effort. The memo is available here: <http://www.whitehouse.gov/the-press-office/2012/02/21/presidential-memorandum-driving-innovation-and-creating-jobs-rural-ameri>

Career Corner

- **Presidential Management Fellows (PMF) Acquisition Track Pilot**
OFPP and FAI are joining forces with OPM to establish a PMF Acquisition Track. We plan to develop a cohort of 24 participants who will be employed throughout the civilian agencies. FAI will cover OPM’s appointment reimbursement fee for agencies; agencies just need an open billet. PMF Acquisition Track participants will attend training classes and networking events together, and will complete a developmental acquisition assignment to broaden their perspective. FAI is reserving spots in this prestigious

program right now! If you are looking for some exceptional new talent and have a vacancy, this might be the perfect opportunity. For more information or to reserve a spot, contact Jeff Birch by March 12, 2012 at jeffrey.birch@fai.gov or (703)805-4576.

- **Effective Vendor Engagement**

To make it easier for businesses to identify vendor engagement opportunities and to provide a central location where agencies can share this information, a new “Vendor Collaboration Central Event Listing” capability has been added to www.fbo.gov. This feature is available from the homepage and provides quick and easy access to agency vendor collaboration opportunities by automatically searching postings for relevant keywords. We strongly encourage everyone to post any upcoming vendor collaboration events by creating a “Special Notice” within www.fbo.gov and beginning the event title with “Vendor Collaboration.” Additional information on posting events so that they will be automatically included in this search can be found in the acquisition collaboration toolkit at https://max.omb.gov/community/x/_INBIg.

- **New Federal Acquisition Institute Website**

FAI recently rolled-out an updated website! In addition to featuring a new layout, the website will be updated over time to include a number of exciting features that will allow easier access to training content, increased capacity for sharing information, and additional tools to aid in the development of the acquisition workforce. Check out www.fai.gov.

- **RAP-C Event Reminder**

On the afternoon of March 6, 2012, the Rising Acquisition Professionals Community (RAP-C) will host an event on topics including vendor engagement, emergency contracting, and effective business advising. 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.

FAR Changes

FAC 2005-056 was published in the Federal Register on March 2, 2012¹. This FAC contains two rules related to reducing high-risk contracting, two rules related to small business, and three other rules.

- **Proper Use and Management of Cost-Reimbursement Contracts:** This rule addresses internal operating procedures related to circumstances when cost-reimbursement contracts are appropriate, the acquisition plan findings that support the decision to use a

¹ For additional information, the FAC is available here: <https://www.federalregister.gov/articles/2012/03/02/2012-4457/federal-acquisition-regulation-federal-acquisition-circular-2005-56-introduction>.

cost-reimbursement contract, and the acquisition resources necessary to award and manage a cost-reimbursement contract.

- **Requirements for Acquisitions Pursuant to Multiple-Award Contracts:** This rule addresses policies related to ordering under multiple-award contracts (including Federal Supply Schedules), and requires the ordering entity to conduct appropriate analysis and document the file to determine price reasonableness when placing an order under a blanket purchase agreement with hourly rate services.
- **Women-Owned Small Business (WOSB) Program:** This rule finalizes the interim rule implementing set-asides for women-owned small businesses and economically disadvantaged women-owned small businesses, which are allowed for contract requirements for certain categories of work.
- **Socioeconomic Program Parity:** This rule clarifies that there is no order of precedence among the small business socioeconomic programs, allowing contracting officers the discretion to determine which program to utilize.
- **Government Property:** This rule clarifies issues related to reporting, reutilization and disposal of Government property and the contract requirements under the relevant clause.
- **Trade Agreements Thresholds:** This rule adjusts the thresholds for application of the World Trade Organization Government Procurement Agreement (WTO GPA) and the Free Trade Agreements as determined by the United States Trade Representative.
- **New Designated Country (Armenia) and Other Trade Agreements Updates:** This rule allows contracting officers to purchase the goods and services of Armenia without application of the Buy American Act if the acquisition is covered by the WTO GPA. It also updates the lists of countries that are party to the Agreement on Trade in Civil Aircraft.

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



Lesley A. Field
Acting Administrator for Federal Procurement Policy

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