



UNITED STATES DEPARTMENT OF COMMERCE
National Oceanic and Atmospheric Administration
OFFICE OF ACQUISITION AND GRANTS

MEMORANDUM FOR: All Hands

FROM: Mitchell J. Ross
Director, Acquisition and Grants Office

DATE: March 28, 2011

It has been a little over two years since my service as Director of the Acquisition and Grants Office (AGO) began on December 21, 2008. Two years ago we were beginning work with a new administration full of ideas and new initiatives. We set ourselves on a path of improvement characterized by increased communication, increased cooperation, and an improved workforce.

Thanks to your hard work, during fiscal years 2009 and 2010 we executed well. We awarded 98% of the dollar outlays presented to us, we delivered exceptional results under the American Recovery and Reinvestment Act, we met administration goals in reduction of high risk contracting, achieved acquisition savings goals, and we certified and expanded our workforce to better meet our fiduciary responsibilities. We reduced the number of divisions to better achieve efficiencies in the delivery of service. We improved our planning through deployment of a new forecasting system. We embarked on a strategic sourcing initiative designed to consolidate transactions, set standards, and achieve dollar savings. Our performance was impressive and well received. Our achievements should serve us well as we adapt to changed circumstances and new challenges.

Two years ago few predicted the enormous challenges that we face today; not the least of which is the national debt. Our national debt is now almost as large as our gross domestic product. Our debt doubled in the past decade; it grew a third in just the last two years. Almost half of our debt is foreign held. Federal budgets in the past decade grew from a fifth to a quarter of gross domestic product. That is not likely to be the case in fiscal year 2011 and constraints on federal budgets are likely to continue for the foreseeable future. We are not immune to these constraints.

We have already felt the effects of constrained federal budgets. Half a year of continuing resolutions has reduced our operational funding. Many of our vacancies remain unfilled and we have eliminated certain on-site service contracts. We are facing substantial challenges.

In order to better serve our clients and meet the challenge we face, effective April 1, 2011, we will merge the Satellite Programs Acquisition Division into the National Capital Acquisition Division. We will expand staffing in the Strategic Sourcing Acquisition Division and establish a new program entitled Professional and Technical Services that will be a NOAA-wide mandatory usage set of contracts similar in size and scope to our NOAALink program. During the second half of fiscal year 2011 we will prioritize requirements and emphasize execution of larger programs.

We will continue planning during fiscal year 2011 to better position ourselves to perform in fiscal year 2012. We will continue to consolidate transactions, move to a fee for service operating model, organize divisions to be more client-focused, move away from acquisition service to external bureaus, and plan for succession of our leaders. We will rely on movement of workload rather than personnel to achieve needed efficiencies, and we will continue to emphasize our guiding principles of improved communication, improved cooperation, and an improved workforce; all to achieve better client service.

Two years ago we determined that high performing organizations, those characterized by efficiency and effectiveness, adapt to changing circumstances. That is still the case. AGO is again adapting to changed circumstances. We are adjusting processes, optimizing organizational structure, and creating teams that work better. We have strong support from the NOAA leadership team. These are our first steps toward a continuously improving AGO. I continue to look forward to your support and cooperation.