

throughout the Federal Government will be performance-based...the

Government must set the standards, set the results and give the

contractor the freedom to achieve it in the best way."

-George W. Bush-



Fiscal Year 2001-2005 Procurement Executives Council Strategic Plan



Origin of Procurement Executives in Federal Agencies

Office of Federal Procurement Policy Act (41 U.S.C. 414(3)) (Public Law 98-191, December 1, 1983, excerpted below)

To further achieve effective, efficient, and economic administration of the Federal procurement system, the head of each executive agency shall, in accordance with applicable laws, Governmentwide policies and regulations, and good business practices -

- Designate a senior procurement executive who shall be responsible for management direction of the procurement system of the executive agency...
- Establish clear lines of authority, accountability, and responsibility for procurement decision making within the executive agency, including placing the procurement function at a sufficiently high level in the executive agency to provide -
 - (A) direct access to the head of the major organizational element of the executive agency served; and
 - (B) comparative equality with organizational counterparts;



Foreword

This Strategic Plan for Fiscal Years 2001-2005 represents an important milestone in the history of both the Procurement Executives Council (PEC) and acquisition in the Federal Government. Entering the new century, the PEC is focusing on its vision of the acquisition professional being the Government's business manager and leader. The Plan also articulates the goals, objectives, and initiatives the Council envisions in addressing the acquisition issues of strategic importance to the Federal community.

Staying focused on these goals is in the taxpayers' interest as it helps to ensure best value for our acquisition dollars. The Council's strategic priorities for Federal acquisition align well with President Bush's objectives. The cover of this Plan quotes one of those objectives — to increase performance based service contracting. Two additional objectives identified by the President are to conduct all significant acquisitions over the Internet, and increase contracting for non-inherently Governmental functions identified in the FAIR Act inventories. We look forward to working with the Office of Management and Budget's Deputy Director for Management and the Administrator of the Office of Federal Procurement Policy on these and other acquisition initiatives outlined in this Strategic Plan.

President George W. Bush's vision for better Government includes programs that are results oriented and which are market based. The PEC and this Plan are fully supportive of this vision. Let us all work hard to implement these goals through our \$200 billion annual Federal contracting program.

Paul A. Denett

Vice-Chairman, Procurement Executives Council

Pela Benett

A great deal of time, effort, and critical thinking has gone into this Plan. We are particularly grateful to our members, and especially our Committee Chairs for their commitment to continuous improvement of the acquisition function in the Federal Government. We would be remiss if we did not recognize the work of David Litman, Department of Transportation's Senior Procurement Executive and members of his staff, particularly Elaine Wheeler, Senior Procurement Analyst, who led the effort to draft this Plan. John Peterson, Senior Program Analyst, Department of the Interior, who steered the Plan through final stages and the General Services Administration's (GSA) Office of Governmentwide Policy for their technical expertise, design, and production of the Plan. Finally, we extend sincere appreciation to the Office of Management and Budget's Office of Federal Procurement Policy and GSA's Office of Governmentwide Policy staff members for their invaluable support to the Council. These individuals represent the best in Government and serve the American people well.

http://pec.gov

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Introduction

The Federal acquisition workforce holds a great fiduciary responsibility to the taxpayer. As the Government's business leaders, they provide expertise and advice in managing and spending \$200 billion of taxpayers' dollars each year. They are guided by the Procurement Executives Council (PEC), the role of which is to set and achieve Governmentwide acquisition priorities by leveraging knowledge and resources to meet the needs of its customers, to set a vision for progress, and to maintain the public's trust. The PEC is chartered to:

- Define the vision for the Federal Acquisition System of the 21st Century and establish priorities for actions needed to realize that vision
- Provide recommendations to the Federal Acquisition Regulatory Council and other regulatory bodies and provide assistance to these bodies when requested
- Make recommendations concerning legislation affecting the procurement community
- Work with other affinity groups to develop solutions to issues impacting Procurement Executive functions
- Create an environment that promotes innovation, empowerment, and risk taking in accomplishing the Government's business
- Explore methods to streamline and improve existing processes
- Leverage resources to develop solutions to common problems
- Share ideas, practices, and experiences among agencies

This Strategic Plan presents the PEC's vision, mission, and strategic priorities through Fiscal Year 2005. While the future is often unpredictable, this Plan forecasts how the acquisition function needs to change and establishes the required priorities to achieve that end.

Each of the five strategic priorities in this Plan includes objectives to be met, outcomes to be achieved, and the necessary activities and milestones for success. To measure the PEC's progress in achieving the objectives, metrics are included for each strategic priority. This Plan is a dynamic document that may be expanded in the future due to Administration initiatives, public interest concerns, or other critical issues that become known to the PEC.

The full PEC has agreed to this Plan and activities for each strategic priority are underway by Committees, Rapid Improvement Teams, or other working groups assigned by the PEC.

Vision for the Federal Acquisition System

A model for business excellence which:

- Features innovative business practices leading to timely delivery of best value products and services to the customer to achieve agency missions;
- Fulfills public policy objectives; and
- Builds on a foundation of integrity, fairness, and openness.

Vision for the Federal Acquisition Workforce

The members of the Federal Acquisition Workforce are the Government's business leaders. As the Government's business leaders, we:

- Provide strategic business advice to agency leaders for managing and spending over \$200 billion of the taxpayers' dollars annually,
- Apply the most effective business practices from the public and private sectors,
- Join industry in mission-oriented business partnerships,
- Obtain the best value goods and services for the taxpayer, and
- Provide responsive, creative, solution-oriented service to support program agency missions.

Mission for the Procurement Executives Council

The PEC is an interagency Council consisting of Procurement Executives in the Executive Branch. The PEC is the principal forum for the Procurement Executives to use their collective influence and knowledge to achieve the vision for the Federal Acquisition System and the Federal Acquisition Workforce. The scope of the Council's activities embraces the full range of Procurement Executive business responsibilities including procurement, acquisition and, as appropriate, grants.

Strategic Alliances

The PEC recognizes the importance of creating and strengthening effective and diverse alliances with communities of shared interests. Of special importance is strengthening our strategic alliance with the Chief Information Officers (CIO) and Chief Financial Officers (CFO) Councils. The CIOC, CFOC and PEC each has the same intention-better Government. Our interests are closely related; this is seen whether it involves systems that meet mission goals, clean financial opinions that often involve such systems, or the fast and cheaper acquisition of information technology and other items. Partnering in this way is necessary to achieve the PEC's strategic priorities and ultimately its vision. Accordingly, the PEC has a special focus on creating needed collaborative alliances and has included such alliances under each strategic priority as appropriate.

Strategic Priorities

The PEC has identified its strategic priorities for Fiscal Years 2001-2005. These priorities are:

- Create a Workforce of Mission-Focused Business Leaders
- Optimize Technology as a Key Business Enabler
- Lead Collaboration to Achieve Desired Business Results
- Effectively integrate socio-economic programs in the Federal Acquisition System
- Transform the Acquisition System for Better Business Results

Descriptions of these strategic priorities follow.

Our greatest resource is our people and the more knowledgeable they are, the better they can serve the interests of the American taxpayer. The Clinger-Cohen Act and the Defense Acquisition Workforce Improvement Act recognize the importance of a well-educated, knowledgeable workforce by stipulating specific education and training requirements for the acquisition workforce. As business leaders, as partners in the acquisition process, and as the representatives for ensuring prudent and wise expenditures of taxpayers' monies, the acquisition workforce must be mission-focused, well trained, and versatile. Accordingly, the PEC has selected as a Strategic Priority creating business leaders for the future.

1. Strategic Priority:

Create an Acquisition Workforce of Mission-Focused Business Leaders

[Cognizant Committee: Acquisition Workforce Committee]

Introduction:

The PEC Acquisition Workforce Committee was established to focus on the changing role of the acquisition workforce and to identify methods and strategies to equip this workforce with the knowledge, skills, and abilities to successfully meet the challenges of change. With the ultimate focus of creating a workforce of mission-focused business leaders, the Committee chartered working groups to research acquisition workforce needs, establish a Governmentwide Acquisition Management Intern Program (AMIP), develop retention strategies and incentives, and determine the ideal skills and characteristics of the future acquisition professional.

Objectives:

Maximize use of distance learning

Complete a gap analysis of acquisition workforce competencies

Develop a rotational assignment program for existing professionals

Expand the Governmentwide Acquisition Management Intern Program

Establish a mentoring program

Develop an aggressive recruitment campaign

Pursue and leverage commonalities

Outcomes:

- 1. An integrated, Governmentwide program of developing or sponsoring distance learning.
- 2. A set of competencies, both technical and non-technical, established for the acquisition professional of the future.
- 3. A rotational program in place that enhances employees' job competencies and experience and develops a flexible, multi-tasking workforce that can move easily among functions.
- 4. The Acquisition Management Intern Program, managed by the Department of the Interior University (DOIU), is continued by bringing on the next class in June 2001 and each June thereafter.
- 5. A model mentoring program that agencies and programs use to groom future acquisition leaders.
- 6. A recruitment program in place that is responsive to managers' needs.

7. Cooperative partnerships with other groups such as the Chief Information Officers (CIO) and Chief Financial Officers (CFO) Councils to leverage resources and knowledge to develop the acquisition professional.

Activities and Milestones:

To achieve the Committee's objectives, the following activities and milestones will be accomplished:

Activities	Milestones:	
Maximize use of distance learning	FY 2001	
Determine roles and responsibilities of the two online programs	FY 2001	
Establish a functional board to oversee distance learning courses	FY 2001	
Complete development of appropriate FAI Online University courses	FY 2002	
Complete a gap analysis of the acquisition workforce competencies • FAI Reports to PEC on Critical Incident results	FY 2001	
FAI Reports to PEC on Environmental Scan results	FY 2001	
FAI presents proposed competencies to PEC for decision	FY 2001	
Agency outreach on competencies	FY 2001-FY 2005	
Development of selection instruments and aids	FY 2001	
Develop a generic Individual Development Plan as a roadmap for how to acquire competencies	FY 2001	
Web site development ongoing	FY 2001-FY 2002	
 Expand the Governmentwide Intern Program DOIU continues to recruit and manage 	FY 2001-FY 2005	
Develop a rotational assignment program for existing professionals • Establish working group	FY 2001	
Develop and evaluate pilot project using pilot web site	FY 2002	
Establish and implement guidance that covers rotational program and web site use	FY 2002	
Train agencies in purpose of rotation program and use of web site	FY 2002	
Survey web site users and compile results	FY 2002	
Rotational program is expanded as needed	FY 2003	

Activities	Milestones:
 Establish a mentoring program Explore possibilities of incorporating or tying a Governmentwide mentoring program to other programs (e.g., Governmentwide rotation program, Governmentwide intern program, and President's Management Intern program). 	FY 2001
 Individual agency implementation of mentoring program based on Mentoring guide 	FY 2002
 Develop an aggressive recruitment campaign Visits to selected campuses Testing of selection instruments Revisions of selection instruments Training of hiring officials in the use of selection instruments Recruitment on campuses Selection of recruits Analysis and report of results to PEC of recruitment efforts Additions and edits of web pages concerning recruitment 	FY 2001-2005 FY 2002 FY 2002 FY 2002-2005 FY 2002-2005 FY 2003-2005 FY 2003-2005
 Pursue and leverage commonalities with other functional disciplines Establish formal points of contact and a working group with workforce and education components of the CIO and CFO Councils Leverage information on competencies, recruitment, and hiring 	FY 2001 FY 2001-2005

Measurements:

- 1. PEC, CIO, CFO Councils partner to share competency work by October 31, 2001.
- Twenty percent (20%) of core procurement courses are developed for online use by September 30, 2002.
- 3. Twenty percent (20%) of GS-1102s are participating in a mentoring program as either a mentor or a protégé by September 30, 2003.
- 4. Ten percent (10%) of new GS-1102 hires are recruited through on-campus recruitment program by September 30, 2003.
- 5. Competency assessments are used to hire fifty percent (50%) of the GS-1102 new hires by December 31, 2003.
- 6. Twenty-five percent (25%) of GS-1102s have completed a rotational assignment by December 31, 2003.

Accomplishments to Date

- 1. FAI Online University has four acquisition courses online.
- 2. FAI Online University has established a seminar tool for agency use in developing training.
- 3. Three Environmental Scan sessions conducted.
- 4. Over 1000 critical incidents collected.
- 5. Draft report on competencies completed.
- 6. Interagency team established to market/outreach the competencies at the worker level.
- 7. Interagency Rotational Assignment team established to begin identifying rotational opportunities. Research on web site initiated.
- 8. Mentoring guide for agency use developed.
- 9. Contact with universities has begun for the purpose of identifying those institutions that have students interested in Government experience.
- 10. PEC points of contact named to be liaisons with CIO and CFO Councils.
- 11. The vacancy announcement for the Acquisition Management Intern Program was released in January 2000.
- 12. A hiring committee was established in March 2000 by the PEC for the interview and selection process.
- 13. Final selections for the initial Acquisition Management Intern Program class were made in May 2000 and interns began their assignments in June 2000 under the Department of the Interior University.

Empowering our citizens to access information is a key business enabler for the Federal acquisition community. Opening up the requirements of the Government to all vendors, whether large or small, stimulates our economy, gives rise to new businesses, enables better pricing, and fosters innovation. Technology, specifically e-Government and e-Procurement, is critical for achieving citizen access to Federal business opportunities. Interoperability between functional areas within the Government will streamline processes, cut costs, and conserve valuable resources. The PEC, in partnership with the Chief Information Officers Council (CIOC) and the Chief Financial Officers Council (CFOC), will address these issues as a Strategic Priority.

2. Strategic Priority:

Optimize Technology As A Key Business Enabler

[Cognizant Committee: Electronic Commerce Committee]

Introduction:

The Electronic Commerce Committee (EC) is dedicated to promoting the effective use of electronic commerce (ecommerce) to enhance the Government's ability to support mission accomplishment. This includes sharing technology that works, partnering with the financial and information technology communities, building a tool to open business information to all Government agencies and business enterprises, and working to ensure that acquisition systems, databases, web sites, and related information technologies meet the accessibility requirements of Section 508 of The Rehabilitation Act of 1973, as amended. The Rapid Improvement Team (RIT) is dedicated to defining an open information system through a re-engineered Federal Procurement Data System (FPDS).

Objectives:

Implement a single Governmentwide point of entry (GPE) for EC.

Advocate effective Internet security.

Define and implement a re-engineered FPDS.

Partner with CFO and CIO communities on E-Gov initiatives.

Develop Governmentwide standards for acquisition and financial system interfaces.

Develop a common Federal Acquisition Architecture for evolution towards interoperability.

Outcomes:

- 1. A Governmentwide single point of entry for providing vendors access to Government business notices, solicitations and related documentation.
- 2. Secure Government Internet systems.
- 3. A re-engineered FPDS that is a cost-effective and reliable business performance management system.
- 4. Partnerships with the CFO and CIO communities capable of leveraging knowledge and resources to enhance E-Gov initiatives.
- 5. Governmentwide standards for how acquisition and financial systems interact.
- 6. A common Federal Acquisition Architecture for Federal acquisition systems.

Activities and Milestones:

To achieve the objectives, the following activities and milestones will be accomplished:

Activities	Milestones:
Governmentwide Point of Entry (GPE)Publish a final rule on GPE	January 2001
Develop a final formula for cost sharing	March 2001
 Develop an annual survey to measure Government and vendor satisfaction with the web site 	October 2001
Acquisition Systems Security • Establish a team to draft a guide on acquisition systems security	November 2001
 Complete first draft of security guide 	March 2002
Publish guide	July 2002
 FPDS re-engineering Compile a data dictionary for use in FPDS Complete Business Case Analysis Design Internet Based Database using XML Standard Commence full-scale implementation 	September 2001 October 2001 December 2001 December 2002
 Partnerships/Governmentwide Standards Complete a Charter with the Joint Financial Management Improvement Program (JFMIP) Establish a working group of JFMIP and acquisition staff to 	November 2000
draft a joint JFMIP/Acquisition Financial Requirements document	March 2001
 Completed final joint JFMIP/Acquisition Financial Requirements document 	July 2002
Common Federal-wide Acquisition Architecture Develop a Common Federal Procurement Vocabulary	June 2001

Measurements:

- 1. Seventy-five percent (75%) of all Federal agencies are using GPE by June 1, 2001.
- 2. By October 1, 2001, one hundred percent (100%) of Federal agencies are using a fully operational GPE to make their business opportunities known.
- 3. A guide on acquisition system security is published by July 31, 2002.

- 4. A redesigned FPDS is in place and fully operational by October 1, 2004.
- 5. A final JFMIP Acquisition System Financial Requirements Document is in place by July 1, 2002.
- 6. A Common Federal Procurement Vocabulary is developed by June 30, 2001.

Accomplishments to Date:

- 1. The EC Committee established a team on August 16, 2000, to negotiate a Charter with JFMIP.
- 2. A Rapid Improvement Team (RIT) action campaign to re-engineer the FPDS was completed in September 2000.
- 3. The public announcement of the selection of the Electronic Posting System as the GPE was published for comment in the Federal Register on August 21, 2000. Implementation is underway and is expected to be complete by September 30, 2001.
- 3. The PEC endorsed the FPDS re-engineering RIT results.
- 4. GSA established a program office and appointed a program manager for the FPDS re-engineering effort.
- 5. A charter establishing a JFMIP and PEC Acquisition System/Financial System Interface Requirements Project was finalized on November 27, 2000.

Informing our citizens of the Procurement Executives Council's (PEC) initiatives and accomplishments as well as creating collaborative alliances to leverage resources among diverse, but complementary functional areas, is critical to achieving the PEC's vision. Therefore, the PEC has chosen "collaboration" as one of its Strategic Priorities.

3. Strategic Priority:

Lead Collaboration To Achieve Desired Business Results

[Cognizant Committee: Outreach Committee]

Introduction:

The PEC plays an important role in defining the Federal acquisition profession and identifying issues impacting it. There is an increasing need for acquisition professionals to collaborate, not only with other functional disciplines, but also with the contractor community and other acquisition communities at the state and local levels. Increasing the effectiveness of the PEC in communicating its viewpoints on acquisition issues and increasing collaboration with other groups such as the Chief Financial Officers (CFO) and Chief Information Officers (CIO) Councils, will assist in achieving better business results.

Objective:

Raise awareness of the PEC, its contributions, and those of the acquisition community to Government business results.

Form collaborative alliances with other acquisition stakeholders to leverage capabilities.

Provide a consistent PEC viewpoint on issues important to the acquisition community.

Outcomes:

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- 1. Increased visibility of the contribution of the acquisition community to achieving better business results.
- 2. Collaborative alliances resulting in leveraging capabilities.
- 3. Strengthened partnerships between the PEC, CFO and CIO Councils.

Activities and Milestones:

To achieve the objectives, the following activities and milestones will be accomplished:

Activities	Willestones:
Sponsor/cosponsor events that identify the contribution	
of the acquisition community and encourage the message	
of acquisition excellence	
Develop PEC sponsorship rules for which events will receive	
PEC sanction and/or funding.	October 2000

Activities	Milestones:
 Cosponsor "Excellence in Government 2001" in conjunction with the CIO and CFO Councils. 	April 2001
 Cosponsor annual Governmentwide procurement conference with GSA to share best business practices. 	April 2001
 Cosponsor National Contract Management Association (NCMA) World Congress 2002. 	April 2002
Cosponsor Governmentwide excellence in procurement award.	September 2001
Identify other sponsorship opportunities.	Annually
Submit articles that identify the contributions of the acquisition	
 community and encourage the message of acquisition excellence Provide articles for the Federal Times "PEC Viewpoint." 	Monthly
 Provide articles for the spring edition of "Public Manager" highlighting the contributions of the acquisition profession. 	April 2001
 Enhance external communications with the public and the media Upgrade the PEC web site to provide information to the acquisition community and the public. Redesign the layout, add PEC member article library. 	December 2001
 Issue press releases providing information on PEC initiatives and/or positions taken at meetings. 	As appropriate
• Establish a PEC "spokesperson" policy and disseminate the list of spokespeople to media.	February 2001
• Establish a speaker roster of PEC members interested in speaking at public events.	March 2001
Form collaborative alliances with other acquisition stakeholders to leverage capabilities	
Establish liaison with CFO Council.	October 2000
Establish liaison with CIO Council.	October 2000
Establish liaison with industry associations.	March 2001
 Establish liaison with other trade organizations focused on Governmental purchasing. 	March 2001

Measurements:

- 1. Sponsorship of two events.
- 2. Submission of twelve articles.
- 3. Upgraded web site.
- 4. Collaborative alliance with two stakeholders.

Accomplishments to Date:

- 1. Drafted ground rules for PEC sponsorship of events and submitted to PEC for review and approval.
- 2. Established listing of "PEC Viewpoint" authors for next fiscal year.
- 3. Drafted a spokesperson policy for PEC review.
- 4. Performed initial review of PEC web site.

To promote the economy of the United States and better use its valuable resources, the PEC believes that it is necessary to focus on the effective implementation of socio-economic and other preference programs. In partnership with the Small Business community, the PEC is striving to encourage and assist small, women-owned, Native American, veteran-owned, and disadvantaged businesses to participate in Federal contracts. To promote these and other preference programs such as the Javits-Wagner-O'Day (JWOD) program for the blind and severely disabled, the acquisition workforce needs to clearly understand these programs to enable their effective implementation in the Federal Acquisition System. As such, the PEC has chosen the integration of socio-economic programs in the Federal Acquisition System as a Strategic Priority.

4. Strategic Priority:

Effectively Integrate Socio-Economic Programs In The Federal Acquisition System

[Cognizant Committee: Socio-economic Committee and Joint OSDBU/PEC Steering Committee]

Introduction:

The vision for the 21st Century Federal Acquisition System builds on a foundation of integrity, fairness and openness that features innovative business practices and also fulfills public policy objectives. The Socio-economic Committee was chartered to focus on leveraging Government partnerships to integrate socio-economic and acquisition program goals. This includes increased partnerships with Offices of Small and Disadvantaged Business Utilization and providing a plan to improve goal setting and achievement. This plan would include use of alternative performance measures of success and tools to enhance the acquisition professional's knowledge of socio-economic programs and to accomplish and track socio-economic program goals.

Objectives:

Improve Socio-economic programs and the small business advocacy environment by developing a goal-setting and goal-meeting culture that creates a win-win relationship between the Small Business Administration (SBA), Federal agencies, and small businesses.

Leverage Governmentwide programs and vendor outreach by improving Governmentwide partnerships and utilizing Federal acquisition programs to increase small business participation.

Develop a Strategic Plan that aligns agency missions with acquisition and socio-economic program goals, improves goal-setting and supports effective measurement of achievement.

To increase our use of the JWOD Act by acquiring more goods and services from blind and severely disabled sources.

Outcome:

- 1. Governmentwide partnerships capable of leveraging Government programs to focus on socio-economic aspects of the Federal acquisition process.
- 2. A Plan that identifies alternative measures of success for the effectiveness of socio-economic programs through the acquisition process.
- 3. Tools available to enhance the ability of the acquisition professional to accomplish socio-economic and other preference programs.

Activities and Milestones:

To achieve the Committee's objective, the following activities and milestones will be accomplished:

 Establish closer teaming relationships with the Office of Small and Disadvantaged Business Utilization (OSDBU) community to maximize effectiveness of Governmentwide programs. Identify agency and community crosscutting issues and 	
partnership opportunities for improving the effectiveness of socio-economic programs. FY2001-2002	
Develop a web-based knowledge management toolkit for front-line acquisition officials, small business specialists, and program managers to educate the workforce on small business requirements and how to achieve their socio-economic goals. FY 2001-2002	
 Explore regulatory and legislative strategies that integrate innovative business practices and increased opportunities for small business. 	
 Explore an integrated approach to align socio-economic goal- setting and agency strategic and acquisition planning with the performance measurement process for the Government Performance and Results Act. 	
 Explore opportunities to educate and broaden exposure for the acquisition community to increase the use of Javits-Wagner-O'Day (JWOD) programs in support of the blind and severely disabled. FY2001-2005	
 Sponsor a cross-agency team, with private sector involvement, to develop, gain recognition for, and implement additional performance measures for socio-economic program success. FY2001-FY2002	
Develop and implement results oriented performance metrics for agency socio-economic program success. FY2001-2005	
Benchmark best practices for increased small business participation and long-term success. FY2001	
• Evaluate subcontracting goal-setting and reporting practices to identify areas for improvement and increased effectiveness. FY2001	
 Explore opportunities to educate and broaden exposure for the acquisition community to increase the use of environmental socio-economic programs, i.e. "Green Procurement", energy efficiency, high recycled content, sustainable energy programs, and etc. 	

Measurements:

- 1. Small business program seminars are developed for FAI on-line training, and for agencies to increase understanding of specific programs by June 30, 2001.
- 2. A Data Dictionary, that clarifies socio-economic reporting requirements is developed and in place for the reengineered FPDS by June 30, 2001.
- 3. Changes are recommended to improve subcontracting goal setting and reporting practices by September 30, 2001.
- 4. Alternative performance metrics are identified to measure agency socio-economic program success by January 30, 2002.
- 5. Regulatory changes are recommended to improve the effectiveness of the acquisition process to integrate innovative business practices and increase small, minority and women owned business opportunities by September 30, 2002.
- 6. A web-based knowledge management tool is operational by September 30, 2002.

Accomplishments to Date:

- 1. Submitted White Paper, in conjunction with Performance Measurement Committee, recommending that the Federal Procurement Data System (FPDS) be re-engineered to capture data that will produce meaningful measures of socio-economic program success. Endorsed by the PEC in October 1999.
- 2. Established a Joint OSDBU Council/PEC Steering Committee to strengthen partnership and focus on joint efforts. The Steering Committee vision, outlined in a Charter signed January 20, 2000, is to leverage this partnership to increase small business participation and business excellence for the Federal Acquisition System. Charter signed January 20, 2000.
- 3. Completed "Draft Matrix of Socio-economic Programs and their Applicability" on February 2, 2000.
- 4. Completed "Benchmark Report of Existing Reporting Practices & Policies," including recommended areas for improvement and innovation, in April 2000.
- 5. Jointly-sponsored, with the Office of Federal Procurement Policy, the Department of Defense, and the General Services Administration, a Governmentwide cross-functional Rapid Improvement Team. This change management process, conducted from February through September 2000, resulted in a strategic design model for a new Governmentwide management information system and accelerated the improvement path for modernizing the FPDS.
- 6. Completed, in conjunction with the Joint OSDBU/PEC Steering Committee, the initial draft of the "Alignment of Socio-economic and Procurement Program Goals."

Taxpayers deserve to have their monies spent by a Government workforce of highly competent, knowledgeable individuals using an acquisition system that provides the needed results. In acquiring the best value services, goods, construction and leaseholds, the key to optimum performance in the future will be the ability of the Government to (1) provide to the acquisition professional current, relevant and useful information related to performing the acquisition function; (2) continually identify new initiatives for transforming the acquisition system; and (3) use performance measurement to gauge our progress in achieving all our vision for the acquisition system. Accomplishing this transformation of the acquisition system to achieve better business results has been chosen as a Strategic Priority by the PEC.

5. Strategic Priority:

Transform The Acquisition System For Better Business Results

[Cognizant Committee:

Acquisition Business Practices Committee and its subcommittees and working groups.]

A. Federal Acquisition Deskbook/Intellectual Capital Management Tool

Introduction:

To perform efficiently and effectively, acquisition professionals need current, relevant and useful information related to their profession. More specifically, they need a tool, tied to the Federal Acquisition Regulation (FAR), which provides a knowledge repository of effective practices, examples, and lessons learned. The tool must also be capable of capturing the context-relevant intellectual capital generated by our acquisition professionals and sharing it with others in our profession. This is a mission-essential enabling priority for the acquisition workforce.

Objective:

Create and implement a Federal Acquisition Deskbook/Intellectual Capital Management (ICM) tool that is web-based and tied to the FAR.

Outcomes:

Produce an Intellectual Capital Management (ICM) tool that provides recent and relevant guidance on acquisition issues to obtain the best value construction, goods, leaseholds and services.

Activities and Milestones:

To achieve the objective, the following activities and milestones will be accomplished:

Activities	Milestones:
Design a solution	December 2000
Develop a prototype	May 2001
Conduct a test and evaluation	June 2001
 Determine whether to extend to entire FAR 	September 2001
• Expand to all FAR Parts	May 2002

Measurements:

The ICM Tool's effectiveness will be measured by:

- 1. Number of "hits"
- 2. Length of visits
- 3. Customer feedback on helpfulness, currency and relevance of information, and ease of use

Accomplishments to Date:

This is a new project; accordingly no accomplishments have been achieved to date.

B. Contract Incentives Development and Application

Introduction:

The Contract Incentives Project Working Group was chartered to examine the manner by which the Government develops and applies incentives to its contractual vehicles. The Working Group is looking to develop a new paradigm in approaching contractual business arrangements that will encourage acquisition officials to develop joint objectives with contractors and effectively provide incentives to both parties to create "win/win" business arrangements.

Objective:

Create and stimulate implementation of a compendium of innovative incentive-based contracts that create "win-win" business relationships for agencies and contractors.

Outcomes:

- 1. Consolidation of information regarding non-fee type incentives.
- 2. Review of current policy, regulatory and statutory guidance to determine any barriers to achieving the project's objective and the need for any additional guidance to facilitate compliance.
- 3. Development of compendium of innovative incentives, business/management approaches and training materials to foster improved contracts.
- 4. Testing and reporting of innovative approaches to develop baseline expectations and stimulate wider implementation.

Activities and Milestones:

To achieve the objective, the following activities and milestones will be accomplished:

Activities	Milestones:
Gather information/views/best practices	March 2001
Review literature/identify barriers	April 2001
Develop guidance materials/remove barriers	October 2001
 Test/report on innovative approaches 	October 2002

Measurements:

The activities are achieved within the above stated milestones.

Accomplishments to Date:

This is a new project; accordingly no accomplishments have been achieved to date.

C. Governmentwide Acquisition Performance Measurement Program

Introduction:

The PEC Performance Measurement Subcommittee was chartered to create, document, and maintain a strategic performance measurement and management framework that measures progress towards the vision for the Federal Acquisition System and that links procurement performance to the Government Performance and Results Act and agency strategic plans. The PEC has approved a Governmentwide Acquisition Performance Measurement Program and Governmentwide measurements were pilot tested for Fiscal Year (FY) 2000 and results were gathered in December 2000. Full implementation of these measures began with FY 2001 and results for FY 2001 will be gathered in December 2001. The PEC's Governmentwide Acquisition Performance Measurement Program can be accessed at the PEC web site: http://pec.gov.

Objective:

Advance the acquisition community's progress towards reaching the vision for the Federal Acquisition System by refining and implementing the Governmentwide Acquisition Performance Measurement Program to use performance measures as an indicator of progress and as a tool for developing and employing effective management improvement strategies.

Outcome:

A set of indicators that can be used to:

- 1. Demonstrate performance
- 2. Target areas for improvement
- 3. Set "baseline" or "trend" data to gauge progress
- 4. Change agency culture and behavior to accelerate progress toward realizing the vision for the Federal Acquisition System

Activities and Milestones:

To achieve the objective, the following activities and milestones will be accomplished:

Activities	Milestones:	
 Agencies submit pilot test results to OFPP 	December 2000	
 Performance Measurement Committee reviews pilot results and develops recommendations for any adjustments to the Governmentwide Acquisition Performance Measurement Program 	March 2001	
 PEC discusses pilot experience, evaluates results and approves any adjustments 	April 2001	
 OFPP compiles and disseminates pilot results in a prototype report 	April 2001	
 Measurement Subcommittee discusses report and recommends any further adjustments (as necessary) 	May 2001	
 PEC reviews report and makes any final adjustments 	June 2001	
Executive agencies submit data results for FY01	December 2001 and each year thereafter	
 OFPP disseminates report on results 	March 2002 and each year thereafter	
 Annual review and update (as necessary) 	January of each year	

Measurement:

The Performance Measurement Program goals are achieved within the stated timetables.

Accomplishments to Date:

- 1. Conducted a survey of Federal agencies on their use of procurement and acquisition performance measurements and the approaches (e.g., Balanced Scorecard) employed.
- 2. Developed (by PEC) a Performance Based Service Contract (PBSC) performance measurement for Governmentwide use.
- 3. Initiated Federal Procurement Data System changes to collect requisite information.
- 4. Initiated the Governmentwide Acquisition Performance Measurement Program in March 2000. A briefing was provided to the General Accounting Office and the President's Council for Integrity and Efficiency for the Governmentwide Acquisition Performance Measurement Program and subsequently was endorsed by both.
- 5. PEC approved the Governmentwide Acquisition Performance Measurement Program in April 2000.

Appendix A

Life-Cycle Process For PEC Initiatives

The following process is used to identify and implement the initiatives necessary to accomplish the PEC's chosen Strategic Priorities:

How PEC initiatives are created:

No formal structure exists for selecting initiatives. They normally flow from the Strategic Priorities and are generated during PEC discussions or by administration interests. PEC members or external sources may propose initiatives but they must be adopted by the PEC.

How initiatives are staffed:

Initiatives are usually accomplished through existing committees; however, they can also be achieved through external assignments, new committees or subcommittees, short-term working groups, Rapid Improvement Teams, contractual support, or sponsoring organizations. Every PEC initiative will be assigned to a PEC Committee for oversight and accountability purposes.

How initiatives are funded:

Funding for an initiative begins with a cost estimate. If the initiative will be fully or partially funded by the PEC, the PEC Executive Committee reviews the estimate and, if approved, integrates the estimate into the budget submission. Initiatives also can be funded by other methods including a sponsoring agency or a cost-sharing arrangement between a sponsoring agency and the PEC. The Chair and/or Vice-Chair of the Council can make funding adjustments as necessary.

How initiatives are implemented:

Governmentwide initiatives can be initially implemented on a pilot or a full-scale basis. While the full-scale approach involves immediate implementation by all impacted organizations and the assigning of a sponsoring agency, the pilot approach takes a smaller group of organizations and includes:

- Assigning a program manager (normally outside the PEC) to work with one or more agencies to participate in a test.
- Reviewing the results of the pilot and approving the continuance of the initiative by the PEC.
- Developing a Transition Plan for full-scale implementation if continuation of the initiative is approved.
- Assigning a sponsoring agency to oversee full-scale implementation. Any further PEC involvement is determined and defined.

Appendix B

Achieving the PEC Vision for the Acquisition System

Performance measurement is integrated within the core of the PEC operation and is fundamental to its strategic direction. It provides the insight necessary to manage the acquisition system based upon its performance, indicates progress toward achieving the vision and the strategic priorities, and gauges performance under the Government Performance and Results Act and agency strategic plans. The PEC has delineated two sets of performance measurements—those listed for the PEC strategic priorities (as set forth in the preceding pages) and those used to measure the performance of the acquisition system (as discussed in this section).

Developing and maintaining a strategic performance measurement and management framework for the acquisition system is chartered to the PEC's Performance Measurement Subcommittee.

In April 2000, all PEC members endorsed a set of acquisition performance measurements for use by all executive agencies with annual obligations reported by the Federal Procurement Data System estimated to exceed \$100 million. This unprecedented effort is set forth in the "Governmentwide Acquisition Performance Measurement Program" found under the PEC web site at http://pec.gov.

Fiscal year 2000 was the pilot year. While the chosen measures could fit into multiple categories, they are placed in the category or categories of most relevance. After pilot completion and analysis, a final set of measures will be selected.

Performance Measurement Framework

Performance Categories				
Perspective	Timeliness	Quality	Price	Productivity
Customer	Customer Satisfaction* Schedule Performance	Customer Satisfaction* Performance	Customer Satisfaction*	
Finance			Competition Performance-Based Service Contracting Cost Performance	Cost-to-Spend Purchase Card
Internal Business Processes	Purchase Card Electronic Commerce Commercial Items	Small Business Goals Commercial Items Competition Performance-Based Service Contracting		Electronic Commerce
Learning and Growth				Education & Training

^{*} Used at Executive Agency discretion

PEC Fiscal Year 2000 Pilot Measures

1. Purchase Cards

Objective:

Use purchase cards under the simplified acquisition threshold to reduce transactional administrative costs and processing time.

Measures: (Choose 1A or 1B along with 2)

- 1A. Percent of micro-purchase actions (actions less than \$2,500) using purchase cards; or
- 1B. Percent of simplified acquisition actions of \$25,000 or less using purchase cards; and
- 2. Amount of cost avoidance through the use of purchase cards

2. Competition

Objective:

Make maximum use of competitive procedures to obtain best value and promote fairness.

Measures:

Percent of contract dollars over \$25,000 that are competed

Percent of contract actions over \$25,000 that are competed

3. Cost-To-Spend

Objective:

Maximize the efficiency of the procurement system relative to purchasing costs.

Measure:

Ratio of Cost-to-Spend

4. Small Business Goals

Objective:

Ensure that a fair proportion of the total purchases and contracts or subcontracts for goods and services for the Government are placed with small business enterprises.

Measure:

Percent of contract dollars for socio-economic categories

5. Commercial Items

Objective:

Increase the use of commercial products and services.

Measures:

Percent of total dollars obligated for commercial items

Percent of total actions for commercial items

6. Cost, Schedule, And Performance

Objective:

Achieve project cost, schedule, and performance requirements.

Measures:

Percent of baseline cost goals that are met or have a less than ten percent (10%) variance

Percent of baseline schedule goals that are met or have a less than ten percent (10%) variance

Percent of baseline performance goals that are met

7. Performance Based Service Contracts (PBSC)

Objective:

Increase the use of PBSC to acquire best value services with the objective of attaining a minimum of fifty percent (50%) of eligible service contracting dollars awarded as PBSCs by FY 2005.

Measures:

Percent of total eligible service contracting dollars obligated for PBSC

Percent of total eligible service contract actions for PBSC

8. Education And Training

Objective:

Provide the acquisition workforce with sufficient education and training to enable it to capably provide business leadership.

Measures:

Education: Percent of acquisition employees meeting education requirements as defined by the Clinger Cohen Act or the Defense Acquisition Workforce Improvement Act (DAWIA)

Training: Percent of acquisition employees meeting mandatory training requirements as defined by the Executive Agency

9. Customer Satisfaction:

(agency discretion in FY 2000)

Objectives:

Provide acquisition managers with an assessment of their customer's satisfaction with the support they are receiving from the acquisition function.

Measures:

Percent of customer satisfaction (w/timeliness, quality, responsiveness, cooperation, and communications skills of the acquisition activity)

Appendix C

A Representative Sample Of The More Than 3,000 Statutes Governing Federal Acquisition

- Federal Agency Inventory Reform (FAIR) Act of 1998
- Federal Acquisition Streamlining Act of 1994
- Anti-Deficiency Act
- The Rehabilitation Act
- The Trade Agreements Act
- Buy America Act
- Services Contract Act of 1965
- Davis-Bacon Act
- Javits-Wagner-O'Day Act
- Office of Federal Procurement Policy Act
- Small Business Reauthorization Act
- Defense Acquisition Workforce Improvement Act
- Fair Labor Standards Act
- Clean Air Act
- Clean Water Act
- Federal Acquisition Reform Act of 1996
- Economy Act

- Procurement Integrity Act
- Government Paperwork Elimination Act (GPEA)
- Government Performance and Results Act (GPRA) of 1993
- North American Free Trade Agreement (NAFTA)
- Truth in Negotiations Act
- Technology Transfer Commercialization Act
- Administrative Disputes Resolution Act of 1996
- Federal Advisory Committee Act
- Federal Financial Management Improvement Act
- Business Opportunity Development Act of 1998
- Competition in Contracting Act (CICA)
- Construction Industry Payment Protection Act of 1999
- Freedom of Information Act
- Information Technology Management Reform Act of 1996 (Clinger-Cohen Act)
- Debt Collection Improvement Act of 1996
- Electronic Signatures in Global and National Commerce Act

Appendix D

PEC Officers, Committee Chairs, And Members

Officers



PEC CHAIR

Vacant

Deputy Director for

Management

Office of Management
and Budget



PEC VICE CHAIR

Paul A. Denett

Director of Administration
& Senior Procurement

Executive

Department of the Interior

PEC Committee Chairs



Acquisition Business Practice Committee Chair David A. Drabkin Deputy Associate Administrator for Acquisition Policy General Services Administration



Outreach Committee
Chair
Corey Rindner
Director Office of Procurement
Department of the Treasury



Socio-economic Committee Co-Chair Linda G. Williams Associate Administrator for Policy, Planning & Liaison Small Business Administration



Committee
Chair
Terrence J. Tychan
Deputy Assistant Secretary for
Grants and Acquisition
Management
Department of Health and
Human Services



Electronic Commerce Committee Chair Gary J. Krump Deputy Assistant Secretary for Acquisition and Materiel Management Department of Veterans Affairs



Co-Chair
Michael S. Sade
Director for Acquisition
Management & Procurement
Executive
Department of Commerce



Executive Committee
Chair
Joint OSDBU/PEC Steering
Committee
Co-Chair
Paul A. Denett
Vice Chair PEC
Department of the Interior



Joint OSDBU/PEC Steering Committee Co-Chair Durie White Department of State

PEC Committee Members



Vacant
Administrator
Office of Federal Procurement
Policy
Office of Management and Budget



Deidre A. LeeDirector of Defense Procurement
Department of Defense



Terrence J. TychanDeputy Assistant Secretary for
Grants and Acquisiton Management
Department of Health and
Hurman Services



Janis A. SposatoDeputy Assistant Attorney
General for Law and Policy
Department of Justice



W. R. Ashworth (Russ) Procurement Executive Department of Agriculture



Glenn G. Perry
Director Contracts & Purchasing
Operations
Department of Education



V. Stephen Carberry
Chief Procurement Officer
Department of Housing and Urban
Development



Alfred HolstonDirector, Business Operations
Center
Department of Labor



Michael S. Sade
Director for Acquisition
Management & Procurement
Executive
Department of Commerce



Mr. Richard H. Hopf, III
Director for Procurement &
Assistance Management
Department of Energy



Paul A. Denett
Director of Administration
& Senior Procurement Executive
Department of the Interior



Lloyd W. Pratsch
Procurement Executive
Department of State



David J. LitmanSenior Procurement Executive Department of Transportation



Judy S. Davis
Acting, Director Office of
Acquisition Management &
Senior Procurement Executive
Environmental Protection Agency



Thomas Luedtke
Associate Administrator for
Procurement
National Aeronautics and Space
Administration



Jean D. Sefchick
Assistant Chief Financial Officer for
Acquisition
Federal Trade Commission
Small Agency Council Representative



Corey RindnerDirector, Office of Procurement
Department of the Treasury



Patricia English
Senior Procurement Executive & VE Contact
Federal Emergency Management Agency



Linda G. WilliamsAssociate Administrator for Policy, Planning, and Liaison
Small Business Administration



Patricia G. Norry
Deputy Executive Director for
Management Services
Nuclear Regulatory Commission
Small Agency Council Representative



D. Mark Catlett
Acting, Assistant Secretary for
Management & Senior Procurement
Executive
Department of Veterans Affairs



David A. DrabkinDeputy Associate Administrator for Acquisition Policy
General Services Administration



James FornataroAssociate Commissioner Office of Acquisition and Grants
Social Security Administration



Leon A. Wilson, Jr.

Executive Director
Committee for the Purchase from
People Who Are Blind or Severely
Disabled
Ex Officio Member

PEC Committee Council Liaisons



William R. Barton
Inspector General
General Services Administration

Liaison from the President's Council on Integrity and Efficiency to the PEC



Vacant
Liaison from the Chief
Information Officers Council
to the PEC



Glenn G. PerryDirector Contracts &
Purchasing Operations
Department of Education

PEC Liaison to the Chief Information Officers Council



Jean LillyProcurement Analyst
Internal Revenue Service

Liaison from the Information Technology Resources Board (ITRB) to the PEC



Vacant
Liaison from the Chief Financial
Officers Council to the PEC



Vacant
PEC Liaison to the Office of
Small and
Disadvantage Business
Utilization Director's
Interagency Council



T. J. GarciaDirector, Office of Small and Disadvantaged Business Utilization (OSDBU)
Department of Commerce

Liaison from Office of Small and Disadvantaged Business Utilization Director's Interagency Council to the PEC



Deidre A. LeeDirector of Defense Procurement
Department of Defense

PEC Liaison to the Chief Financial Officers Council



Vacant
PEC Liaison to the
President's Council on
Integrity and Efficiency

Appendix E

Federal Acquisition Facts And Statistics

Frequency And Average Dollar Value Of Awards Each Working Day of Fiscal Year 2000

Reporting Method	Frequency	Average Dollars
Government Purchase Card	every 0.31 sec	\$524 ea
Standard Form 281 (\$25K or less)	every 0.77 sec	\$1,644 ea
Standard Form 279 (over \$25K)	every 13.91 sec	\$391,528 ea

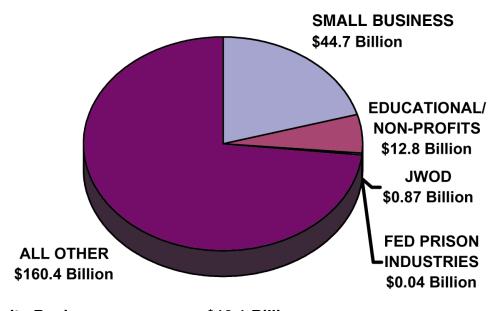
Every Minute of Every Business Day the Government Procures an Average of \$1,917,972

Total Procurements By Reporting Method Fiscal Year 2000

Reporting Method	Actions	Dollars
Government Purchase Card	23,343,003	\$12,231,491
Standard Form 281 (\$25K or less)	9,328,187	\$15,337,450
Standard Form 279 (over \$25K)	519,780	\$203,508,288
TOTAL	33.19 Million	\$231.08 Billion

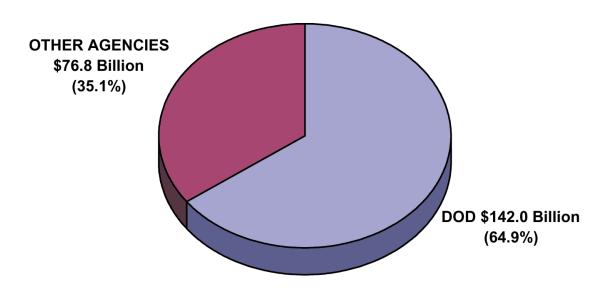
Under the General Services Administration's (GSA) SmartPay Program Federal employees used purchase cards provided under GSA's Federal Supply Service (FSS) contracts for more than 23 million transactions worth \$12.2 billion in FY 2000, a 17.2% increase in sales realized over 1999. Over 600,000 Federal employees held cards. Their use saved the Government more than \$1.3 Billion in administrative costs and generated \$65 Million in refunds in FY 2000.

FY 2000 Federal Acquisition Vendor Share Total \$219 Billion



Minority Business: \$13.1 Billion
Women Owned Business: \$4.6 Billion

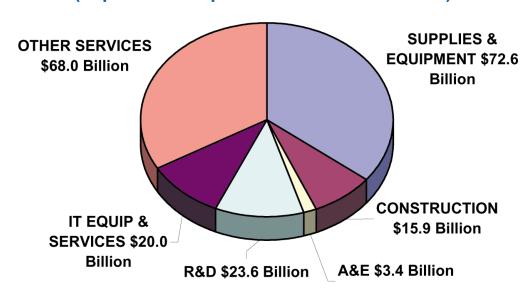
FY 2000 Federal Acquisition
Defense and Civilian Agency
Total \$219 Billion



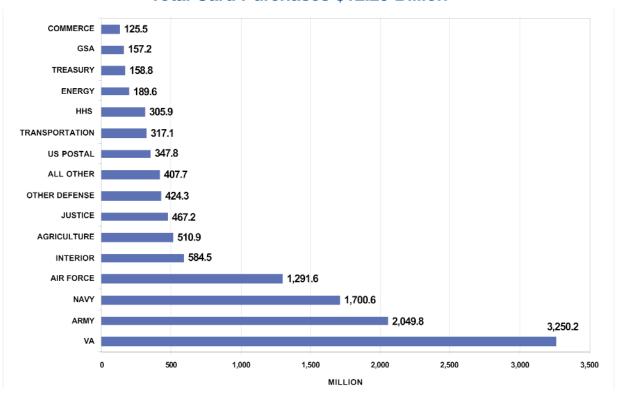
Source: Federal Procurement Data System

Web site:http://www.fpds.gsa.gov

FY 2000 Federal Acquisition Vendor Share Total Procurement \$203.5 Billion (Represents Acquisitions Over 25 Thousand)



FY 2000 Smartpay Credit Card Program Purchases By Agency Over \$100 Million Total Card Purchases \$12.29 Billion



Source: Federal Procurement Data System

Web site:http://www.fpds.gsa.gov

http://pec.gov

Administrators of the Office of Federal Procurement Policy

Public Law 93-400, "The Office of Federal Procurement Policy Act", as amended, created the Office of Federal Procurement Policy (OFPP) in 1974 and placed it in the Office of Management and Budget (OMB). The OFPP was created, among other purposes, to provide Government-wide procurement policies "...which shall be followed by Executive agencies..." in the procurement activities.

These are the individuals who have been nominated by the President, were confirmed by the Senate, and have served as the Administrator, OFFP since Public Law 93-400 was signed into law:

Hugh E. Witt (1974-1977)

Lester A. Fettig (1977-1979)

Karen Hastie Williams (1980-1981)

Donald E. Sowle (1981-1985)

Robert P. Bedell (1986-1988)

Allan V. Burman (1990-1993)

Steven J. Kelman (1993-1997)

Deidre A. Lee (1998-2000)

