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## **Notes from the Administrator**

**April 2011**

### **Thoughts on April's Challenges**

April has been a rough month for all federal civil servants, as many of you have told me. The budget impasse and the potential of a funding gap made federal employees feel like pawns in the budget fights. I can tell you that the President and Jack Lew, our Director here at OMB, repeatedly expressed concern about the negative impact of the ongoing budget disputes on the federal workforce and our ability to serve the American people. Also of note was that, as the federal government was on the verge of a possible partial shutdown, many people came to appreciate more than usual the importance that contracting plays in making our government work. Many of your offices had to spend time categorizing contracts, by funding method and by urgency, so that your agency could be ready for a gap in appropriations, if one had happened. Fortunately, an eleventh-hour agreement was worked out, as we all know, so the plans did not need to be implemented. Nonetheless, I saw that our acquisition workforce again proved its worth in the way we handled the situation – as usual, our people performed professionally, and dealt with the challenge in a way that protected taxpayers' interest.

### **Strategic Sourcing Progress Update**

I mentioned in the last issue of this newsletter that our colleagues at GSA, along with Jack Kelly of OFPP, have been reporting to me regularly on the OS2 office supplies strategic sourcing initiative (you'll also see it labeled 'FSSI', because it is part of our federal strategic sourcing initiative). I'm happy to report another month of continued – and dramatic – increases in purchases made through this vehicle. March was a blow-out month, with sales of \$17.8 million across the 15 blanket purchase agreements (BPAs). This is more volume in one month than we've had in any entire *quarter* up to now!

This is great news, but we still have a lot of work to do to push these sales higher and obtain the even deeper discounts that will come as overall sales reach preset thresholds. Please contact GSA or Jack if you see problems or barriers to use, and do your part to get your colleagues to use these vehicles. Jack can be reached at [jkelly@omb.eop.gov](mailto:jkelly@omb.eop.gov) or (202) 395-6106.

## **Interagency Contracts**

As many of you have told me, interagency contracts can make your work easier, by letting you ‘piggyback’ on another agency’s contract. We are working to define more clearly the steps that an agency should take and the analysis that should be performed when the agency is considering renewing or setting up a new interagency contract. In the area of GWACs (government-wide acquisition contracts, as everyone reading these Notes knows), the rules are clear – but they are less clear for other vehicles. It is troubling that we have no good way for you to check to see what vehicles might meet your agency’s needs, whether it’s BPAs (blanket purchase agreements – again, you know that!) or another contract. You’ll soon to be seeing draft guidance in this area from us at OFPP to address these issues, and your feedback will be much appreciated.

## **Spotlight on Success**

### **Vigilant Defense Logistics Agency (DLA) Contracting Officer Saves Thousands of Taxpayer Dollars**

DLA contracting officer Diemhong Walters saved \$161,000 for our taxpayers by taking advantage of an opportunity to negotiate a quantity discount for 24 portable ultrasound systems used in military hospitals and clinics. Walters was preparing to award a \$1.3 million contract for the equipment when she became aware that the company selected for award had recently received other orders from the government for identical equipment. After finding this out, Walters immediately attempted to obtain a quantity discount for the ultrasound equipment. She contacted the company, negotiated a better price, and saved the government \$161,000. Walters' vigilance paid off for the government and the taxpayer – congratulations, and thank you!

## **Workforce Developments**

- **GSA Expo** – OFPP is supporting the GSA Expo, which is being held in San Diego from May 10 through 12. I’ll be hosting a ‘Meet the Administrator’ session, and other OFPP colleagues are teaching sessions on Strategic Sourcing, OFPP Hot Topics, Effective Vendor Engagement, Transparency in Federal Procurement, and Managing Your Digital Existence (that last title scares me). In addition to those sessions, we’ll also be giving out the Chief Acquisition Officers Council Acquisition Excellence Awards and having a special ‘speed mentoring’ session with acquisition leaders and GSA executives. There is no registration fee, so it’s a conference worth considering. If you have questions about the GSA Expo, please check it out at <http://expo.gsa.gov/>. For questions on the speed mentoring event, call Joanie Newhart of OFPP at (202) 395-4821.

- **Have Hiring Needs?** – If you have some hiring needs in your office, consider hiring a Presidential Management Fellow (PMF). The PMF Program (at [www.pmf.gov](http://www.pmf.gov)) was established by Executive Order in 1977 to attract to the federal government outstanding men and women from a variety of academic disciplines and career paths who have a clear interest in, and commitment to, excellence in the leadership and management of public policies and programs. By drawing graduate students from diverse social and cultural backgrounds, the PMF Program provides a continuing source of trained men and women to meet the future challenges of public service. If you're interested, please consult with your agency's PMF Coordinator (at <https://www.pmf.opm.gov/ACoords.aspx>) to take advantage of this great opportunity to recruit top-notch talent.
- **Contracting Officer's Technical Representative (COTR) Certification** – OFPP has been working with the interagency Contracting Officer's Technical Representative (COTR) Functional Advisory Board (FAB) to revise the requirements for the Federal Acquisition Certification (FAC) – COTR for civilian agencies, originally issued by OFPP in November 2007. The new certification will establish a risk-based, three-tiered certification program for civilian agency COTRs that reflects the recommendations of the FAB and incorporates comments from various agencies. The draft certification was sent to the agency Senior Procurement Executives for comments last week and should be issued in final form in the coming weeks.

While we are on the subject of COTRs, I'd also like to draw attention to a recent FAR change that – for the first time – adds “Contracting Officer's Representative” (which includes COTRs) as a definition in Part 2 of the FAR. This change, which is long overdue, represents a formal recognition of the importance of CORs and COTRs as members of the acquisition workforce – something those of us who work in contracting have long understood.

### **Changes to the FAR**

- **Women-Owned Small Business Rule** - On April 1st, Federal Acquisition Circular 2005-51 was published in the Federal Register, including an interim rule that adds subpart 19.15 to the FAR, which covers Women-Owned Small Businesses (WOSB). We are hopeful that the new rules will help agencies achieve the 5 percent statutory goal for contracting with women-owned small businesses. The new rules allow you to set aside contracts for WOSBs (or a subset of them) in certain circumstances. The FAC can be accessed here: <http://www.federalregister.gov/articles/2011/04/01/2011-7367/federal-acquisition-regulation-federal-acquisition-circular-2005-51-introduction#p-10>.

- **Organizational Conflicts of Interest** – On April 26, a proposed rule offering a new approach to FAR coverage of organizational conflicts of interest (OCIs) was published in the Federal Register. A proposed rule offering updated coverage more consistent with current practice was published by the Department of Defense for the DFARS, and the FAR Council is interested in soliciting feedback about which approach (or which combination of features from the two approaches) will be most appropriate in developing a final rule. The proposed rule is available here:  
<http://www.federalregister.gov/articles/2011/04/26/2011-9415/federal-acquisition-regulation-organizational-conflicts-of-interest>.

**A great response – thank you!**

In the March edition, I asked that our front-line colleagues – contracting officers, contract specialists, and COR/COTRs – take a moment to send me an email confirming that you had seen the Notes from the Administrator. As a result, we got a lot of emails from across the country and around the world. In addition to emails from across the U.S., we heard from contracting professionals in Cotonou, Benin in Africa; Budapest, Hungary in Europe; Moscow, Russia in Asia; and Bogota, Colombia in South America – that’s five of the seven continents!

In a month that was tough for our acquisition professionals, as for the whole federal workforce, your emails were a bright spot – thank you! Please feel free to keep sending us feedback – success stories, criticism, and suggestions – your input is valued, and we follow up on every email you send ([dgordon@omb.eop.gov](mailto:dgordon@omb.eop.gov)). And if you happen to be reading this from California, you could make my assistant, Louis Pappas (who hails from the Golden State), especially happy if you’d write in – he was shocked to see that we didn’t get a single email from someone identified as working in California.

That’s it for this month, but I want to close by saying thanks for everything that you do to ensure that our agency customers’ needs are met and our citizens’ tax dollars are prudently spent.



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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>.