

Mastering the Craft

**Includes Interview with Deidre A. Lee,
Defense Procurement Director and
Former OFPP Administrator**

JANICE M. MENKER • KAREN M.S. HILTZ

Pulled in many directions, those of us who are federal government contracting professionals and our industry counterparts struggle to maintain technical excellence in our chosen profession and still provide quality service to our customers. Our business is complex and changing daily. As we move into the 21st century, the Information Technology (IT) profession is increasingly becoming the profession of choice for our current and future workforce. The perceived level of importance of the IT profession has likewise been elevated and is reflected by the salaries, benefits, and flexibility being offered to those who enter its ranks.

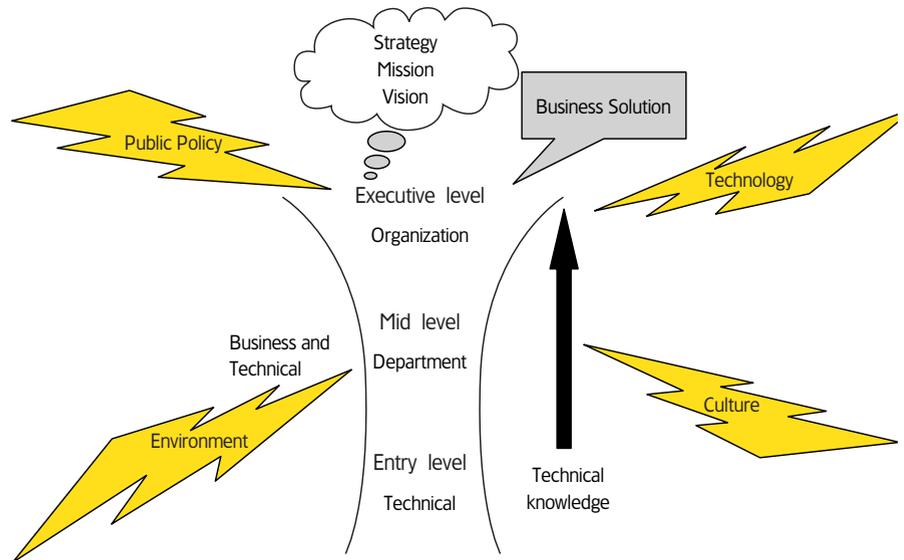


FIGURE 1. Organizational Contract Management

Within the federal government, the acquisition and contracting professional has often been the target of criticism – sometimes deserved yet often unfounded, and in many instances at political expediency. Yet we, as business professionals, adapt and frequently even excel in the face of adversity! We adapt because we are professionals – experts in the technical *science* of contracting, but also experts in the *art* of crafting business arrangements. However, is the same degree of respect and perceived level of importance accorded our particular field of expertise? Is our contracting and business expertise any less professional than the IT engineer?

Who can recall the last award given for the “Outstanding Contract Solution?”

We, the authors, have often struggled with the criticisms and observations about the practice of our craft and discussed the business practice of today in the context of our own personal experiences. And in doing so, we discovered an interesting concept.

“Business Broker”

While attending a presentation by Deidre A. Lee, former Administrator, Office of Federal Procurement Policy (OFPP) on the future of the contracting professional, one concept emerged from her remarks that aroused our curiosity. Repeatedly, she used the term “Business Broker.” Our interest piqued, we wanted to know more.

- Who was this person – the Business Broker?
- What will be the focus of the position?
- How does a Business Broker differ from a Contracts Specialist or a Contracting Officer?
- What will this person do differently?
- What job series will this become?

What was Lee really thinking? Even with our common knowledge and understanding of “our” profession, we found ourselves arriving at different conclusions. Yes, we recognized that a contracting professional is an individual who brings unique talents, ways of thinking, and behaving to the work place. Likewise, we recognized that we hear words

Menker is a manager in Performance Management, Global Government Group, Grant Thornton, LLP, Alexandria, Va. A former DSMC instructor (1987 – 1992) and graduate of PMC 87-1, she is a Certified Professional Contracts Manager (CPCM), NCMA Fellow, and a member of the NOVA Chapter of the NCMA. Hiltz is a Lead Economic/Business Analyst with the Economic and Decision Analysis Center, The MITRE Corporation, McLean, Va. She is a member of the Northern Virginia (NOVA) Chapter of the National Contract Management Association (NCMA) and completed DSMC’s Software Acquisition Management Course.

and perceive those words in the context of our own individual reality (Strauch, 1983).¹ Still struggling with understanding this new concept, we concluded that perhaps others struggled as well. But the concept was exciting!

Approaching the Administrator, we sought clarification of the concept, her vision, and her support for marketing the “message.” This article summarizes that interview, presents a historical perspective of the profession, and offers a guide for the future to “*master the craft of acquisition and contracting.*”

Q We are here to discuss the Business Broker concept you introduced at a conference late in 1998. Can you please provide your definition of Business Broker?

A I believe a Business Broker is an individual who provides business acumen to the acquisition team. This person will possess technical knowledge, expertise in applying sound business principles, and good judgment that creates innovative sourcing solutions to achieve agency or organizational needs. The focus is on creating solutions.

Q What do you believe to be the five most important characteristics of a Business Broker?

A The primary characteristics I would select are:

- Creativity and innovation
- Flexibility and adaptability to changing times
- Results-oriented – solutions-focused
- Leadership skills – leading change.
- Dedicated to continuous personal and professional development.

Q How does this concept differ from the practice of the “art of business” today?

A Circumstances, often beyond our control have caused some of today’s con-

“It will no longer suffice to hide behind the rules. We [contracting professionals] must step forward and be proactive by designing solutions to achieve results.”

**—Deidre A. Lee
Director, Defense Procurement**

tracting professionals to follow a rigid, rules-based process – tomorrow’s contracting professionals, the Business Brokers, will be encouraged to be creative thinkers, crafting solutions based on business considerations. We know that today’s professionals have been overwhelmed with laws, rules, and regulations that strictly limit their opportunities to make judgment calls, and that they were not rewarded for being innovative and creative.

Q What do you consider to be the significant difference between contracting professionals today and those of yesteryear (i.e., from the 70s and 80s)?

A The acquisition environment today revolves around more complex business relationships and demands more critical thinking than ever before. Typically, the acquisitions of today are creative business deals that are formed by breaking new ground. Whereas, many of yesterday’s procurements were purchasing functions accomplished in accordance with a defined set of rules, today’s workforce is better educated and better trained, which facilitates today’s process. Let me not forget though – the world of IT is pushing a faster tempo

and affecting the business decisions as well.

Q What five most significant challenges or ways of thinking do you believe are required of the current workforce in order to be a Business Broker?

A First of all, be less dependent on rules for what you can or cannot do and rely on your judgment for what makes good business sense and why. Follow your instincts! Then, understand a contracting professional does not add value by virtue of the ability to write and the authority to sign contracts. Added value is bringing that business expertise that helps shape effective and successful acquisition strategies and then brokers the business deal. The Business Broker must demonstrate to the team they are more than just a writer of a contract once others have decided what needs to be bought. The Business Broker must focus on, and understand, the entire acquisition process – the full range of acquisition characteristics and functions, not just contracting.

When applying business judgment and making business decisions, the new contracting professional will understand the ramifications of your decisions throughout the process – programmatic, technical, financial ... more than just contract management. You can provide effective advice only by understanding the entire process. Additionally, cooperation within the team is fundamental to the team’s success.

We often hear that contracting personnel are not team players. The new Business Broker will reverse that image by avoiding the “here I am, come to me” and proactively engage the other team members as well. We must educate others and be prepared to contribute as a member of the team. Shared visions, goals, and efforts will lead to shared successes.

Lastly, training will be a significant challenge in transitioning to Business Brokers. We must assess the needed skills

DEIDRE A. LEE

Director, Defense Procurement, Office of the Under Secretary of Defense (Acquisition, Technology and Logistics)



On June 5, 2000, Deidre A. Lee became the Director of Defense Procurement, Office of the Under Secretary of Defense for Acquisition, Technology and Logistics (USD(AT&L)). As Director of Defense Procurement, she is responsible for all matters related to procurement policy in the Department of Defense. This includes directing the Defense Acquisition Regulations Council and developing policy for contract pricing and financing; contract administration; international contracting; and training of contracting personnel. In addition, she is the principal advisor to Dr. Jacques S. Gansler, USD(AT&L) on major weapon system contracting strategies as well as an advisor to the Defense Acquisition Board on procurement matters.

Previously, Lee served as Administrator, Office of Federal Procurement Policy (OFPP), a position to which she was nominated by President Bill Clinton and subsequently confirmed by the Senate in July 1998. As OFPP Administrator, Lee was recognized as one of the Administration's most active and successful acquisition reformers, skillfully implementing effective procurement strategies through education and government-industry partnerships for continued procurement reform.

From March 1993 until her confirmation, she was the Associate Administrator for Procurement at the National Aeronautics and Space Administration (NASA). Prior to that, she served as the Deputy Associate Administrator for Procurement and the Executive Officer to the Deputy Administrator of NASA. She rose through the ranks to become NASA's senior acquisition official and has a distinguished record as a reformer and innovator. Lee developed successful procurement initiatives at NASA, including the Mid-Range, Performance Based Contracting, Source Selection, Cost Control, Consolidated Contracting Initiative, and the Single Process Initiative/Block Changes. From 1984 until 1990, she worked at the Johnson Space Center as Chief of the Space Shuttle Procurement Division, Chief of the Orbiter and STS Integration Procurement Branch, and Chief of the Data Systems and Aircraft Operations Branch.

She was awarded NASA's Outstanding Leadership Medal and Exceptional Achievement Medal. In 1996, she was a recipient of the Senior Executive Service Presidential Rank Award.

Lee began her career with the Department of Defense where she served in various procurement-related positions, which included base procurement in Okinawa, Japan; systems acquisition at Hanscom AFB, Mass.; and logistics procurement at Hill AFB, Utah.

Lee holds a B.A. in Business Administration from Central State University, Edmond, Okla., and an M.P.A. from the University of Oklahoma.

She is married to William T. Chisholm, and they reside in Arlington, Va.

– technical, business and interpersonal – then explore how best to acquire those skills. Our training efforts must give particular attention to educating the existing workforce of the need to abandon the older, comfortable way in favor of the new approach for Business Brokering. We must also explore better mentoring capabilities – mentor each other and bring the junior person along as well.

Q
If the GS 1102 job series as we know it today is eliminated, who or what do you see replacing it or filling the void? If this change in function became a reality, what proposed policy will be issued by OFPP regarding this change in job function?

A
When we speak of the GS 1102 job series being eliminated, we are not speaking of the job series itself; rather, of what we see as the role performed by the GS 1102. What we see is today's 1102 being re-created with a larger focus and re-defined role. As the job functions change, OFPP will propose appropriate changes to policies relative to education, training, career development, and even acquisition regulations. Currently, the Federal Acquisition Institute is pursuing a "competency based" approach to defining the knowledge, skills, and abilities of the 1102 professional, similar to that done for the IT professionals (computer scientists, programmers, etc.).

Q
Will there be mandatory educational and training requirements?

A
It is premature to speculate on specific changes needing to be made to the educational and training requirements until we institutionalize the role of the Business Broker. We expect education and training to be important components for any career development program.

Q
Given the state of acquisition management training within the federal government and the focus of training within the Department of Defense, there appears to be a discrepancy in training between civilian agencies

and DoD. How do you envision a similar training path evolving for the contracting professional in civilian agencies?



In November 1999, I entered into a Memorandum of Agreement [MOA] with Stan Soloway, the Deputy Under Secretary of Defense for Acquisition Reform, to proceed toward a common training framework for all federal 1102s. Our joint vision is to achieve reciprocity of training. This will involve agreements for common training fundamentals and have training courses measured against a common standard. I expect efforts that occur pursuant to the MOA will lead to the elimination of distinctions between training results and skills across all federal agencies.



What do you consider to be the single greatest challenge facing professionals in the acquisition business – not just the contracting professional but all those involved in providing goods and services to meet the government's needs and missions?



The greatest challenge today is establishing cohesive teams where functional walls are eliminated and participants in the acquisition process work collectively toward common outcomes. Too often, acquisitions are marred by the lack of ownership across functional organizations, to the detriment of achieving timely, quality, and effective results. The mentality of “that’s not my job” must be eliminated, as must the attitude of “I know everything.” Team members must realize the value other team members bring to the table, and everyone must make contributions to the success of the team. By combining capability, accountability, and ownership at the team level, the government will be able to conduct effective acquisition business.

But What Does It All Mean?

After digesting what Lee stated in her interview, you now might want to ask, “What does this mean to those currently in the GS 1102 series?”; or, if you are an industry counterpart, you may be wondering how this change would affect your

relationship with the government. Before we attempt to answer this question, let’s first look at the evolution of the contracting profession.

Managing the Public’s Business

The federal government has three branches: Executive, Legislative, and Judicial. Each branch has an impact on our profession. The Executive Branch is charged with expending public funds. The Legislative Branch provides the laws that are translated into the regulatory structure we work within. The Judicial Branch provides the case law that gives support and clarification for many of the “judgments” contracting professionals will make. Related to these constitutional participants are a host of others who review and report on the profession – the General Accounting Office (GAO), the Inspectors General (IG), the media, and, of course, the public – the taxpayers whom we serve.

Picture the Constitution as the grand strategic plan, the compass that provides direction for the country. The administration and execution of that plan is accomplished through the laws and regulations passed over time (Halachmi, 1992).² Within the Executive Branch, agencies and departments manage the public’s business via the Constitution and the suite of laws, regulations, and policies passed over time.

Those of us who have practiced this business for years know and understand – intervention can be precipitated in various ways: a news article, a GAO report, an IG report, a complaint by a concerned taxpayer, or even congressional testimony. The central element, however, is the perception by those who have not mastered this craft that injustice abounds, that practices are biased for a given constituency, or the business practice does not reflect good management methods. There is, however, one constant – *change* – and change has been the mainstay of the contracting profession.

The creation of the Constitution and the governance framework established the delicate balance and backdrop against

which acquisition and procurement has evolved over time and is performed today. In the following discussion, we present and examine the historical record of how these laws have evolved over time and the context in which the Congress and the Executive Branch perceive the need to change.

By turning our attention to the past, today’s contracting professional may find clues, guidance, and a better understanding of the present. To help devise a roadmap to the future, we offer the following questions that contracting professionals may want to contemplate:

- What is the role and responsibility of the contracting professional today?
- How has the role evolved over time?
- Is there really a difference between yesterday, today, and tomorrow?
- How is this Business Broker going to act and behave in the future?
- Is the craft or practice going to be any different tomorrow than it is today?

Procurement Responsibility

Before we study the roadmap that led us from the past to the present, let’s look at the responsibility involved with procurement. The Contracting Officer has sole responsibility, on any given day, for spending public money. This individual is charged with the responsibility for executing a contract in order to acquire goods and services that are necessary for accomplishing the government’s mission. As stated in the Federal Acquisition Regulation,³ FAR Part 1.602-2, Responsibilities:

“... the Contracting officer shall:
(a) Ensure that the requirements of 1.602-1(b) have been met, and that sufficient funds are available for obligation;
(b) Ensure that contractors receive impartial, fair, and equitable treatment; and
(c) Request and consider the advice of specialists in audit, law, engineering, transportation, and other fields, as appropriate.”

While all three factors are equally important, it is the last two factors that prescribe the actual business practice, yet it is the first factor that appears to dom-

FIGURE 2. Stepping Stones for Knowledge Management



Understanding the Past to Unlock the Future

A review of various management texts reveals that procurement is generally considered to be a management activity or function associated with purchasing, inventory management, logistics management, or finance and accounting. It is generally not a separate line function within an organization existing independently but is a service function serving the organization at large.

For our purposes in the federal government, the term or function called procurement dates back to pre-Revolutionary War. By understanding the nature of the incidences that precipitated the evolution of our business, a deeper appreciation for our craft is gained.

Beginning June 16, 1775, the Continental Congress authorized General George Washington to appoint a Quartermaster General (supplies) and a Commissary General (food) (ABA Report, 1989).⁴ That first law governing the purchase of military goods and services was entitled the “Purveyor of Public Purchases Act” and laid the foundation for the purchase of goods and services from private citizens or businesses.

On June 20, 1776, the Congress stated “... victual at Continental expense all such volunteers as have joined or shall join the United Army.” To comply with the legislation and achieve the objective, George Washington appointed Joseph Trumbull as Commissary General (ABA Report, 1989).⁵ Trumbull’s duties were to *procure* and *distribute* food supplies to the newly formed Continental Army.

Why was such action required? Why did Congress perceive that such a law was required? Could not George Washington fight the war without such legislation?

The Continental Congress observed that the colonies competed for scarce resources, and in so doing defeated the objectives of General Washington to successfully fight a unified war. While some colonies had better access to supplies,

inate perceptions about the profession. The Procuring Contracting Officer (PCO), as identified in the FAR, is charged with specific responsibilities and authorities. The PCO has the responsibility for executing contracts that are fair and equitable, but must consider the needs of both parties to deliver goods and services in order to meet the specifications or requirements.

However, while PCOs have this authority, they do not operate in a vacuum, nor can they execute that authority in a vacuum. Other specialists are involved such as Program Managers (PM), Quality Assurance (QA) specialists, Small Business Specialists, lawyers, and finance managers. Likewise, PCOs cannot accomplish the science of contracting without the assistance of these specialists and subject matter experts. Keep in mind, the degree of assistance necessary is commensurate with the complexity of the goods or services and is itself an art that seeks to integrate technical needs with business solutions.

Let’s recap – the PCO:

- is an individual who is responsible for a certain outcome (*performance*);
- cannot execute the contract (*science*) to achieve the outcome without the assistance of others (*art*);
- is responsible for the contract relationship (*outcome*); and

- must be a team player (*performance, science, art, and outcome*).

The PCO, by honing technical, financial, legal, people, and business skills is practicing the *science* and *art* of constructing effective business deals in a team environment.

Over time, the specific role and mechanics of executing these responsibilities has shifted, altered, adjusted, or been refined through a variety of mechanisms (laws, regulations, and management practices). However, the prevailing mechanism is the laws passed by Congress and interpreted in the regulations and agency policies and procedures. Also, it must be recognized that existing concurrently, through legislative mandates, is the evolving suite of management practices that guide the performance of the individuals and have been adopted by government managers.

Why does Congress intervene? As elected officials, they are the representatives for the public and are charged with deliberating and interpreting the desires of their constituency in a bi-partisan forum, collectively enforcing the Constitution of the United States. Then the Executive Branch interprets these laws through regulations, Executive Orders, and other policies that become business and management practices.

clothing, and food, other colonies were struggling to provide the necessary resources to their troops.

The concept underlying the decision is one prevalent in management literature and actually practiced for years in Greek and Roman history (Simon, 1976) – centralization vs. decentralization.⁶ How do I achieve my objective? Do I use a centralized or decentralized management system to achieve economy and efficiency in order to produce a specified outcome?

To achieve greater economy and efficiency of operations, George Washington was authorized to appoint an individual who would be responsible for acquiring the goods and services needed to execute an effective war. However, it should be noted that the record does not show the specific characteristics or attributes Trumbull possessed, nor what management style he used to achieve the designated outcome.

This auspicious beginning is characteristic of procurement legislative history. The history of our profession and its practice is likewise a history of congressional operations and focus during times of war and peace. In some instances, the legislation corrected perceived inefficiencies. In other instances, both efficiency and effectiveness were critical. The early evolution was directly related to war efforts because the administrative apparatus was meager in comparison to today's infrastructure.

After each war was fought, however, Congress would hold a post-critique to determine how effective the operations were. At the conclusion of the Revolutionary War, for example, Congress determined that the practice of using agents to procure supplies was effective, but not necessarily efficient. Once the war was over, the actual act of administering the Constitution and managing the public's business became important.

In 1781, Congress reviewed how well the warfighting system worked, e.g., was it effective and efficient? The conclusion

reached: the lowest price was not paid for goods and services. Therefore, effectiveness was obtained – the war was won – but efficiency was lost. At that time the Superintendent of Finance proposed a four-point program that became accepted and passed into legislation in 1831:

- 1 Centralize the procurement function.
- 2 Grant authority to dispose of excess material.
- 3 Grant authority to finance purchases of needed supplies where there were shortages.
- 4 Introduce competitive contracting in place of agents on commission.

The perceived inefficiency reflected the practice of reimbursing agents the cost of goods and services sold plus profit. Why was this practice considered inefficient? Congressional members perceived that the lowest price was not always paid and that personal gain appeared to be the primary motivation. It was observed that agents sold excess quantities to the government while receiving higher profits in return.

Congress then attempted to control this behavior with appropriate legislation. It is interesting to note that an ongoing philosophical discussion contained in the *Federalist Papers* (Hamilton, 1961) is the concept of the goodness of man and the associated degree of government required to control man's behavior.⁷ This argument exists to this day – how much government is too much? This particular legislation sought to control man's behavior by controlling how contracting representatives (now contractors) would conduct transactions and be reimbursed for their work. By focusing on how these agents were paid, Congress sought to control behavior and perhaps motivation as well.

By 1818, the procurement function was continuing to evolve. Secretary of War John Calhoun determined that contracting authority needed to be clarified, creating the institution of "defense procurement careerists." During the War with Mexico, Contracting Officers of the

Quartermaster, Ordnance, and Commissary Bureaus acquired food, clothing, arms, and transportation.

In the next ensuing years, the procurement function shifted back and forth between civilian and military control. At the time of the Civil War, temporary purchasing agents were appointed in the military, "... no competition existed and collusion and favoritism were rampant," (ABA Report, 1989).⁸ Again, throughout the history of procurement and even today, competition has been considered the primary mechanism to avoid favoritism and spoils. Further, the best competition was "Formal Advertising" or award to the lowest price. However, the competitive marketplace, envisioned by the Legislature, is not necessarily the marketplace the government and industry must operate within. Our marketplace is regulated and controlled by the actions of a few as perceived by many.

Many laws and actions were taken by both the Legislative and the Executive Branches of government to guide the strategic direction of the country, to change the administrative apparatus by introducing management reforms, or to correct perceived inefficiencies in the governmental processes.

1789 – Acts Establishing Original Federal Administrative Agencies

Authorized the Department of Foreign Affairs, Department of State, Department of War, Treasury Department, Office of Attorney General.

1883 – Civil Service (Pendleton Act)

Created the Civil Service Commission and prescribed methods and rules for appointing individuals to the Civil Service (avoided the spoils system and favoritism perceptions).

1902 – Establishment of the General Staff of the Army

Report of the Secretary of War, created a general staff and denoted kinds of authority, commanding vs. advising.

1903 – Act Creating the General Staff

Created a General Staff Corps and designated An Act to Increase the Efficiency of the Army. (Note: Two laws are required

to create and resolve organizational issues, a theme recurring throughout history).

1906 – Anti-Deficiency Act

Public money, known as appropriated funds, would be spent for its intended purpose.

1912 – Report of the (Taft) Commission on Economy and Efficiency

Established the need for a National Budget with a message, summary financial statement, expenditures, estimates, and changes in law.

1916 – National Defense Act

Specified National War Powers Emergency Act –in times of emergency, procurements are exempt from regulations.

1921 – Budget and Accounting Act

Created the Bureau of Budget, Office of Comptroller General.

1931 – Davis- Bacon Act

Labor rates in construction industry.

1933 – Buy American Act

Concerned with economic consequence of only using goods produced in America.

1947 – Armed Services Procurement Act

Established the Armed Services as we know it today and the contracting authority as it is known in the Department of Defense.

1949 – Federal Property and Administrative Services Act, Codified Under Title 41 of the U.S. Code

Provided the contracting authority for all civilian agencies, except DoD, NASA, and the Coast Guard (Alston, Worthington, Goldsman, 1984).⁹

1958 – National Aeronautics and Space Act

Established uniform policies for NASA.

For the Contracting Profession, Change is Not New

As the reader may now have surmised from our story thus far, reform or change is *not new* and has actually been the hallmark of the profession. But read on. The story continues!

After World War II, the Hoover Commission introduced the concept that defense is big business and commented on the rising costs of weapons systems. In 1950, the Small Business Act was passed, conveying a preference to award public

contracts to small business concerns. Also, while this history may appear to be more heavily focused on defense, other federal agencies were being created. Managing the public's business was now becoming more diverse with a broader focus on accomplishing multiple missions in order to satisfy the growing number of government agency missions. By the 1960s, the Commission on Government Procurement agreed on the following determinations:

- The System is flawed with too much bureaucracy, too many layers.
- Civilian control is required.
- The term “Acquisition” is introduced as a life cycle methodology, i.e., program management is required. (*Note: This coincides with the introduction and evolution of management practices initiated by National Aeronautics and Space Administration and Navy nuclear programs [Alston, Worthington, Goldsman, 1984].*¹⁰)

In 1962, the Truth in Negotiations Act was passed, which requires contractors to submit cost or pricing data for certain procurements. As the title of the Act implies, a concern existed regarding the veracity of the data contractors provided to support their costs..

From 1970 – 1990, other initiatives included: the Carlucci Initiatives, emphasizing Program Manager accountability and a preference for Fixed Price contracts; and the Packard Commission, stressing streamlined reporting and education and training. In 1978, the Contract Disputes Act was passed giving industry an opportunity to seek redress in the courts; and in 1982, the Prompt Payment Act required the government to pay its bills on time. The Competition in Contracting Act was signed in July 1984 making competition the law vs. mandating how competition was obtained (Formal Advertising vs. Determination and Findings for negotiated procurements), the legislation in practice since the Civil War. That year also produced another significant milestone – a single set of procurement or acquisition regulations, known as the Federal Acquisition Regulation (FAR), was created.

Additionally, the emphasis turned to “acquisition” vs. “procurement.”

In 1986, the President's Blue Ribbon Commission on Defense Management, known as the Packard Commission, issued its report, “A Quest for Excellence,” providing various recommendations to improve the procurement process. In 1990, the Defense Management Review (DMR) and the Defense Acquisition Workforce Improvement Act (DAWIA) sought to professionalize the acquisition workforce. As a result, a college degree was emphasized along with professional designation. However, no mechanism for achieving the professional designation was identified.

A View of the Present

Where does the past end and the present begin? What's different now, and what can be said about the future? The 1990s continued to see major reform as a democratic administration was ushered in. Suddenly, laws passed by Congress over the past 20 years, intended to control perceived inefficient and ineffective operations, were now considered to be constraining. Those same laws, once considered as necessary to achieve some desired outcome, were now being reversed. At the same time, environmental factors such as Information Technology were influencing legislation.

The Federal Acquisition Streamlining Act (FASA) introduced Electronic Commerce and Electronic Data Exchange to streamline the process. Yes, certain agencies were already using a form of automated contracting operations (remember decentralization). FASA also encouraged contracting officers to use judgment (though it was never discouraged), considered the FAR to be guidance, and introduced credit cards for a micro-purchase threshold of \$2,500.00. The introduction of the credit card was revolutionary in that everyone who has a credit card is not a contracting officer or procurement official, but they both have the same authority.

The Federal Acquisition Reform Act (FARA) introduced a new Part 15. Instead of “discuss with one, discuss with

all,” a new standard was created. The practice of “keep all offerors in the competitive range if they have a reasonable chance for award” is replaced with “only keep the most highly rated in the competitive range.” Many would argue that they were always using this “new” standard, that as a Contracting Officer they made such interpretations. However, these practices were not universally accepted or necessarily standard throughout the government.

Not to be forgotten is the recent legislation that focused on aligning civilian agency education and training with the Department of Defense. Additionally, legislation such as the Government Performance Results Act (GPRA), Information Technology Management Reform Act (ITMRA), and the Chief Financial Officers (CFO) Act has attempted to interject a more commercial business way of operating – focus on results, not processes or rules. Yet, it was the perceived failure to follow the rules that brought us to this point. Has there really been a change? And what will the next series of legislation and Executive Orders attempt to correct?

Looking Toward the Future

Given the history of procurement legislation – government buildup followed by downsizing – the one reality we know is there will always be new legislation that attempts to right perceived inefficiencies and imbalances in the system. The forefathers wrote a Constitution during an agricultural economy where travel took days and technology was focused on improving the farms. As the Industrial Revolution brought in newer technologies, cities grew and expanded, commerce crossed state and international boundaries, while legislation sought to protect and control society and the individuals within society. Laws were passed to protect workers to ensure safety in the workplace, and minimum wage standards were put in place.

Further, business influences caused legislation to be passed. The prime example is ITMRA or the Clinger-Cohen Act, which recognized that the world of automated computer equipment was now

FIGURE 3. Top Eight Behavioral Skills

TODAY	SHORT TERM (2 – 5 YEARS)	LONG TERM (5-15 YEARS)
High integrity and adherence to ethical standards	Communication skills	Communication skills
Communication Skills	High integrity and adherence to ethical standards	Human relations/interpersonal skills
Human relations/interpersonal skills	Flexibility and adaptability	Leadership
Flexibility and adaptability	Human relations/interpersonal skills	High integrity and adherence to ethical standards
Leadership-ability to influence and persuade	Leadership-ability to influence and persuade	Flexibility and adaptability
Self-motivation	Customer focus	Customer focus
Accountability	Self-motivation	Accountability
Customer focus	Accountability	Complexity management and decision making

Survey of Contracting and Purchasing Professionals, Emerging Demands on a Changing Profession, Contract Management Institute, National Contract Management Association, Presentation to the Federal Acquisition Institute Research Round Table, February, 2000.

information technology. This single act wiped away over 30 years of history in how the government purchased computers, computer equipment, and computer resources. Yet while the Brooks Act itself was rescinded, the actual mores and ways of operating will evolve over time. But how do we go from business as usual one day to a new way of conducting business with the passing of a single law?

As mentioned earlier, the one constant in our business is *change*, whether it's change in the business structure in which we operate, change in the mechanics of how we perform the function, or change in the professional requirements – *change continues*. Perhaps it is this focus or vision that prompted Lee to look toward the future and envision a change in our profession.

Making Sense of It All

The authors began this article with two questions: “What does Business Broker really mean?” and “How will it affect the contracting profession?” Lee articulates a vision for the future into the new mil-

lennium. However, looking at the explosion of IT and comparing its evolution to that of the Industrial Revolution, clearly, IT has the potential to drastically change the business relationship and will do so at a more rapid rate than previously envisioned.

In the past 25 years, processes have become automated. Business processes have changed because of automation. Business processes have become re-engineered (Hammer and Champy, 1993).¹¹ The GAO consistently suggests that federal acquisition needs to adopt commercial-like practices that are used in the private sector. However, we must ask ourselves two appropriate questions: What does the private sector do differently? Can public contracting really be like private-sector contracting? While government must become more business-like, i.e., the Government Performance and Results Act emphasizes outcomes vs. processes, *this does not mean government must be like business*.

There continues to be a basic difference between the private and public sector –

motivation and rewards. In the private sector, outcome is linked to return on investment (ROI), a financial term. Investment decisions are made based on the amount of gain returned to the stockholder; therefore, profit becomes the equalizer in private industry. Profit is not evil – it is the measure of success!

In the public sector, outcomes are linked to agency mission objectives as well as political objectives. In many instances, these objectives may not be consistent or efficient, as evidenced by many of the socio-economic rules and regulations. While these have a clear social objective, the economic consequences may be inefficient. What does this mean to the procurement function and the contracting officer? If financial rewards are the motivation in the private sector, then what are the rewards for the public sector?

As a Business Professional, you are responsible for ensuring public money is invested wisely. Where are you investing? You are investing in the private sector in order to accomplish the agency mission through the awarding of contracts. Your focus for investing will vary based on the objective of the agency. For instance, an Agency that has a \$20-million operating budget with \$2 million allocated to procure from the private sector will have a different focus from the agency that will spend \$250 billion in the private sector. You must be willing to adjust your focus along with your particular set of knowledge, skills, and expertise to seek solutions for the agency.

Figure 1 is a visual representation of how the future professional's growth might appear. Very simply, at the entry level you focus on gaining technical knowledge of the contracting function. As you progress through the profession, increasing demands on your knowledge require you to apply that knowledge to the business need. As the leader of the organization, focus shifts from internal contract management to external organizational management using procurement policies to improve the organization. The responsibility and procurement

mission has not changed – simply shifted to a higher level.

Endless Opportunities

The opportunities for the future of the contracting professional are endless! In *SeaPower*, August 1993, retired Navy Vice Adm. Jerry O. Tuttle stated, "Amateurs buy equipment; professionals find solutions."¹² Given an outcome focus, only time, GAO decisions, and congressional inquiries will determine how accepting lawmakers will be of the recent legislative changes.

Now to answer the question, "What does this mean to those currently in the GS 1102 series?" In our minds, the answer lies in several areas.

The future contracting professional must be solution-focused; strategically connected; and understand the agency's mission as well as the strategic planning process and the investment decision-making process. The contracting professional must engage the acquisition process and be able to link agency mission to life cycle outcomes using contracts as the means, not the end. Regardless of the specific title, the contracting professional is aligning congressional desires for a responsive procurement system to the agency mission outcomes. By becoming grounded in the technical skills but focused on improving processes to achieve improved outcomes, the profession is recognized as a field of business experts, just as IT professionals who solved Y2K problems are experts in their field.

Organizational performance is the key mission, with procurement policy and practices the mechanisms that add value to the agency. Each contract awarded, each purchase made, satisfies some aspect of the agency mission. For example, procurement may want to consider outsourcing as a solution to meeting agency needs if it reduces outlays and permits the agency to focus on primary needs. An outcome focus is one that integrates technical needs with business solutions to achieve enhanced performance. A business visionary understands the technical issues but envisions

the business solution to achieve technical objectives.

What must you do to prepare yourself?

- Become familiar with the Strategic Planning Process.
- Understand legislative history.
- Understand how politics, government execution, and administration are linked.
- Be familiar with legislators for your state, locality, or product area.
- Know your products.
- Do market research.
- Be proactive, not reactive.

The GAO has consistently stated they will not override the "judgment" of the Contracting Officer. They may question the procedure. They may question the business acumen. However, they will not question decisions based on your judgment. Figure 2 represents a progression through the learning process to seek greater understanding and knowledge for the future.

What skills will you need to possess in the future? A recent study published by the National Contract Management Association lists skills required by the Contracts Manager of the future. Figure 3 (NCMA, CMI Report, 2000) presents the data from research conducted by the Contract Management Institute and compares the behaviors associated with today's profession and the behaviors desired in 15 years. These bear a striking resemblance to the behaviors described by Lee as characteristics of the Business Broker. Likewise, Figure 4 (NCMA, CMI Report, 2000) presents the research results regarding how our performance will be measured. Again, note the striking similarities to terminology used by Lee in describing the future professional. It will no longer suffice to hide behind the rules. *We must step forward and be proactive by designing solutions to achieve results.*

The similarities between this set of knowledge, skills, and abilities resonate with those described by Lee. The numerous studies over time, both legislative and executive, have demonstrated a

need for better business management. This particular study reinforces the need for future professionals to have a broader perspective, understand agency needs and mission, and seek business solutions to technical problems.

Final Comment

No one, not Deidre Lee or the authors, can predict the future. However, if history holds true, public contracting officials will always be held to a higher standard of responsibility and accountability. As such, we must view ourselves as the means to an end— not the end itself. The contracting professional is a guardian over the process of spending the public’s money. We have that fiduciary responsibility. Management practices will come and go, and perhaps that is the key. The FAR and the entire suite of Circulars and Executive Orders are guidance.

In some instances, certain and specific prescriptions prevail. However, understanding that prescription in the context of its history leads to an appreciation for this business of ours as both a science and an art. The *science* is the technical skills needed to write a contract. The *art* is integrating that science with the business needs of the agency and the public, and maintaining currency with rapid technology growth. Our *performance* will always be held to a higher standard. It’s a fact of life. We meet the standard when we exceed the customer’s expectations and achieve the desired *outcomes* that drive an agency’s success.

The future holds no bounds. With education and training and a new way of thinking, we can be prepared to meet that future and become Business Professionals or Business Brokers – professional equals of the most competent IT professionals and respected by them as well. One prediction is sure – information technology is going to continue to affect the government’s business model as we know it today. This demand for new thinking offers insight to the individual who wants to step “outside the box” and envision a newer way of managing the public’s business using the procurement process!

Editor’s Note: The authors welcome questions or comments on this article. Contact Hiltz at hiltzk@mitre.org; Menker can be contacted at JMenker@gt.com.

REFERENCES

1. Strauch, Ralph A, *Reality is an Illusion*. Barrytown, New York: Station Hill Press, 1989.
2. Halachmi, Arie, Strategic Management and Productivity, *Public Productivity Handbook*. Edited by Marc Holzer. New York: Marcell Dekker, 1992.
3. *Federal Acquisition Regulation*, U.S. Government Printing Office, 1999.
4. American Bar Association, Section of Public Contract Law, *The DoD Contracting Officer*, “A Report by the Ad Hoc Committee on the Role of the DoD Contracting Officer,” 1989.
5. *Ibid*.
6. Simon, Herbert A, *Administrative Behavior*. New York: The Free Press, a Division of Macmillan Publishing Co., Inc., 1976.
7. Hamilton, Alexander, James Madison and John Jay. Edited by Clinton Rossiter, *The Federalist Papers*. New York: Mentor Publishing, Penguin Group, Penguin Books, USA Inc., 1961.
8. American Bar Association, Section of Public Contract Law, *The DoD Contract-*

ing Officer, “A Report by the Ad Hoc Committee on the Role of the DoD Contracting Officer,” 1989.

9. Alston, Frank M., Margaret M. Worthington and Louis P. Goldsman, *Contracting with the Federal Government*. Third Edition. New York: John Wiley & Sons, Inc., 1984.

10. *Ibid*.

11. Hammer, Michael and James Champy, *Reengineering the Corporation, A Manifesto for Business Revolution*. New York: HarperCollings Publishers, Inc., 1993.

12. *SeaPower Magazine*, U.S. Navy, August 1993.

BIBLIOGRAPHY

Mosher, Frederick C., Editor, *Basic Documents of American Public Administration, 1776 - 1950*. New York, London: Holmes & Meier Publishers, Inc., 1976.

Osborne, David and David Gaebler, *Reinventing Government*. Reading, Mass.: Addison Wesley Publishing Company, Inc., 1992.

Survey of Contracting and Purchasing Professionals, Contract Management Institute, PricewaterhouseCoopers, National Contract Management Association, November 1999.

FIGURE 4. Top Eight Performance Measures

TODAY	SHORT TERM (2 - 5 YEARS)	LONG TERM (5-15 YEARS)
Quality	Quality	Quality
Timeliness	Customer Satisfaction	Customer Satisfaction
Customer Satisfaction	Timeliness	Timeliness
Meeting Mission Goals	Meeting Mission Goals	Meeting Mission Goals
Productivity	Innovation	Innovation
Negotiated Savings/ Cost Reduction or Containment	Productivity	Productivity
Personal Leadership	Optimizing Best Value Transactions	Personal Leadership
Optimizing Best Value Transactions	Personal Leadership	Optimizing Best Value Transactions

Survey of Contracting and Purchasing Professionals, Emerging Demands on a Changing Profession, Contract Management Institute, National Contract Management Association, Presentation to the Federal Acquisition Institute Research Round Table, February, 2000.