

Federal Acquisitions – Challenges on Both Sides of the Equation

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The federal acquisition landscape and procurement processes are complex, to say the least, and people on both sides of the process – government and industry – have their own perspectives on what works and what could be better. At an industry event focusing on federal acquisitions, the similarities and difference in perspective among both sides of the equation made it clear that the challenges to improve federal acquisitions will persist for some time.

Recently, I attended AFCEA International's **Defense Acquisition Modernization Symposium**: "Better Buying Power: Do We Have It Right?" The two-day event featured several keynote presentations from current government acquisition leaders, like Frank Kendall, Under Secretary of Defense, Acquisition, Technology and Logistics, as well as former government leaders and industry professionals with insight into the current and future state of the federal acquisition environment and best practices. Approximately 70% of the attendees were government personnel and most of them were from the federal acquisition community, which gave the symposium a different tenor than so many industry events that are predominately attended by those from industry.

In his opening keynote, Frank Kendall outlined his thoughts on where he would like to see acquisitions headed, including better aligning contract incentives with performance so that profit follows performance. He also wants to build stronger partnerships with the industry community to improve both acquisitions as well as the solutions government is procuring. For his part, Kendall does not see acquisition as the source of the problem for program delays and failures. The root cause of delays is in the plan and execution itself, not acquisition, in Kendall's view. He sees sequestration as still an issue, due to the uncertainty and inefficiency it introduces, but when asked if he thought it would be lifted he gave it no chance because Congress can't agree on how to move forward. Kendall said that sequestration costs in FY 2013 for DoD were \$37 billion and the same was true in FY 2014. In FY 2015 he sees it costing DoD about \$10 billion. In FY 2016, however, the sequestration impact is still unclear.

Throughout the event several themes became clear that highlight some of the challenges, differences and similarities:

- **Lowest Price, Technically Acceptable (LPTA)** – The increased use of LPTA has challenged both sides of the acquisition table and both sides say that they would like to see it used less than it is, but that pressure still exists to use it. Both sides find fault with LPTA – industry for its one-dimensional focus on price, and government because they are not confident in how to use it and don't like what they are getting for their money.
- **Communication** – Government acquisition personnel continue to struggle with knowing when and in what way they can interact with industry, even years after the launch of OMB's Myth Busters campaign. This lack of accessibility and awareness of their prerogative frustrates the industry side that is looking for information in order to respond to agency needs. Some in industry tend to lead with capability statements rather than seeking to understand the agency's perspective.
- **Disconnects** – On some issues government and industry seem to have very different perspectives on the same issue. For example, government perceives they communicate effectively on program requirements and effectively leverages draft RFPs. Industry often sees draft RFPs that are incomplete or insufficient to provide guidance in designing solutions.

Whether from within government or industry, presenters suggested that the best approach going forward was to focus on improving acquisitions from within the current system rather than asking and hoping for large scale acquisition reform because the complexity of the issues make it difficult to gain consensus in Congress and reform measures tend to have unintended downstream consequences that further exasperate problems.

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