United States

Strategic framework, action plan and scope for procurement for innovation policy

The United States has a stand-alone action plan on procurement for innovation, issued by the Office of Management and Budget in 2010, and titled “25 Point Implementation Plan to Reform Federal Information Technology Management”. The plan contains a number of quantified targets, such as: terminating or turning around at least one-third of underperforming projects in the IT portfolio; increasing cloud usage; reducing the number of federal data centres by at least 800 by 2015. In addition, the plan envisions to solidify and consolidate funding, introduce flexible budget models, increasing the professional capacity, and launching an interactive platform for agency/industry collaboration.

One of the US procurement initiatives focuses on increasing innovation in technology and streamlining procurement. It includes the following elements:

- Smarter IT delivery by buying strategically and by buying in phases (modular contracting, agile purchases).
- TechFAR: guidance for using innovative practices to buy IT.
- Open dialogue summary.
- Issuing Streamlining Procurement Management with the initiative: Transforming the Marketplace: Simplifying Federal Procurement to Improve Performance, Drive Innovation, and Increase Savings (2014).
- Procurement for innovation items are also included in the budget.

Implementation

The United States has a number of initiatives underway to support the use of innovative procurement practices. Initiatives include new tools that help agencies adopt industry best practices and new talent development models that give contracting officials hands-on experience applying these tools with the help of experts. They also include initiatives to simplify procedures, include feedback from external and internal stakeholders, and dispel “myths” that may discourage the workforce from engaging with vendors as they plan and undertake acquisitions.

The “TechFAR” handbook is considered one of the best practices in the United States. The TechFAR provides agency personnel involved in the procurement process with practical tools for applying industry best practices to digital services acquisitions. Specifically, the TechFAR discusses relevant FAR authorities and includes practice tips and sample language. It is a living document. All federal agency stakeholders, including representatives from contracting, the programme office, Chief Information Officers, and Office of General Counsel, are encouraged to use this guidance. Readers are urged to provide feedback, share experiences, and offer additional strategies or practice tips that might be used to assure that IT acquisitions achieve their desired results. This current edition of TechFAR focuses on how to use contractors in iterative development

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processes. Specifically, TechFAR includes provisions that are relevant to a commercial methodology named “Agile Development”. This methodology is characterised by incremental and iterative processes where products are developed in close collaboration with customers. Agile development is geared towards projects where significant design and development are needed, such as citizen-facing digital services (e.g. http://healthcare.gov or http://recreation.gov) as well as internal digital services and business systems. It is not designed to be used for commodity IT purchases, especially where off-the-shelf solutions can be used as-is at a lower cost to the government.

The “Digital IT Acquisition Professional Training Program,” with a curriculum based in principles of agile software design was launched so acquisition professionals could gain valuable hands-on experience applying modern IT procurement strategies. In addition, almost every major buying agency and a number of smaller ones have identified Acquisition Innovation Advocates (AIAs) as primary resources to help the workforce in testing and adopting new, improved, or underused acquisition strategies to reduce delivery times, improve customer and vendor satisfaction, increase access to innovative contractors and lower transaction costs. AIAs seek to achieve these goals by sharing information and tools about contemporary mechanisms to increase the use of effective innovative acquisition practices, streamlining contract processes; and partnering across agencies and with industry.

**Challenges, risks and solutions to overcome obstacles**

An important lesson learned relates to professionalisation: A policy can be developed, but if skilled and trained staff to implement and the right tools and trainings are missing, the programme will not be implemented effectively and will not meet or achieve the intended results. To overcome these obstacles, United States is hiring resources and/or training internal staff to implement policies for procurement for innovation.

The United States provided the following list of activities that helped to support procurement for innovation and overcome obstacles related to IT services:

1. Consolidate data centres: The original goal was to consolidate at least 800 data centres by the end of 2015. The Office of Management and Budget has since increased the goal to 1200 data centres. Create a data centre “marketplace”. The online list allows agencies needing data capacity to find agencies with extra capacity.

2. Cloud-first: Chief Information Officers identified “must move” services and created a plan for migrating those services to the cloud.


4. Contract vehicles for commodity services: A Software-as-a-Service E-mail Working Group is developing technical requirements for cloud email.

5. Shared services: Agencies develop a “roadmap” for shared services. Programme Management.
6. IT programme management career path: The Office of Personnel Management and the Office of Management and Budget will create an advancement path, including recruiting and hiring, for IT programme managers.

7. Scale IT programme management career path government-wide.

8. Integrated programme teams: IT programmes must include multi-disciplinary teams, including agency leaders and professionals in the IT, acquisition, financial management and legal departments.

9. Collaboration platform: The Federal Chief Information Officer Council will develop an online portal to share best practices.

10. Technology Fellows Programme: Chief Information Officers will recruit by partnering with universities with “well-recognised” technology programmes.

11. IT programme manager mobility: Agencies will offer rotational opportunities to share knowledge and expertise across government. Align acquisitions with technology cycle.

12. Cadre of specialised IT acquisition professional: The Office of Federal Procurement and CIOs will design training for acquisition professionals to develop specialised knowledge to speed up complex IT acquisitions.

13. The Office of Federal Procurement Policy is developing IT acquisition best practices

14. Contracting guidance for modular development: the Office of Federal Procurement Policy will develop templates and samples for modular contracting practices that allows flexibility for evolving technical requirements.

15. Increase opportunities for small tech companies: Align budget process with technology cycle.

16. Work with Congress on flexible IT budget models.

17. Develop supporting materials for flexible IT budget models: The Federal Chief Information Officer Council will create “playbooks” with best practices for this kind of funding.

18. Scale flexible IT budget models more broadly.

19. Consolidate commodity IT spending under the Chief Information Officer: Improve accountability.

20. Strengthen Investment Review Boards: These boards were created to evaluate the results of major IT investments. The plan calls for restructuring the boards to the “TechStat”-model.

21. Redefine role of Chief Information Officer: Chief Information Officers’ role will shift from mostly policymaking and infrastructure maintenance to portfolio management. Agencies must terminate at least one-third of their poorly performing projects. “TechStat”-model at bureau level Chief Information Officers and agency leaders will roll out tools and training for “TechStat”-like sessions. Engagement with Industry.

22. “Myth-busters” campaign: Myths that industry and government can’t engage with each other creates an “artificial barrier” and reduces agencies’ access to market information. The Office of Federal Procurement Policy issued a memo in January
that supported discussions and outreach efforts with key stakeholders. These efforts were expanded with a 2012 “Myth-busters” memo directed to industry partners, and a 2017 edition focused on debriefings for unsuccessful offerors.

23. Interactive platform for pre-RFP (request for proposal): launching a government-wide, online platform for agencies to tap into industry knowledge prior to issuing a request for proposal.

**Measurement and impact assessment**

The United States monitors the above-mentioned quantified targets related to procurement for innovation. Portfolio statistics sessions serve to monitor agencies’ actions regarding the underperforming projects in IT Portfolio, regarding the mandated shift to “Cloud First” policy, and regarding the request to reduce the number of federal data centres by at least 800 by 2015. Additionally, benchmarking metrics measure progress on functional area (e.g. contracting, finance, human capital, information technology, and real property). The quantified target for procurement for innovation is measured; activities to reach the target are followed up by studies of state of play.