



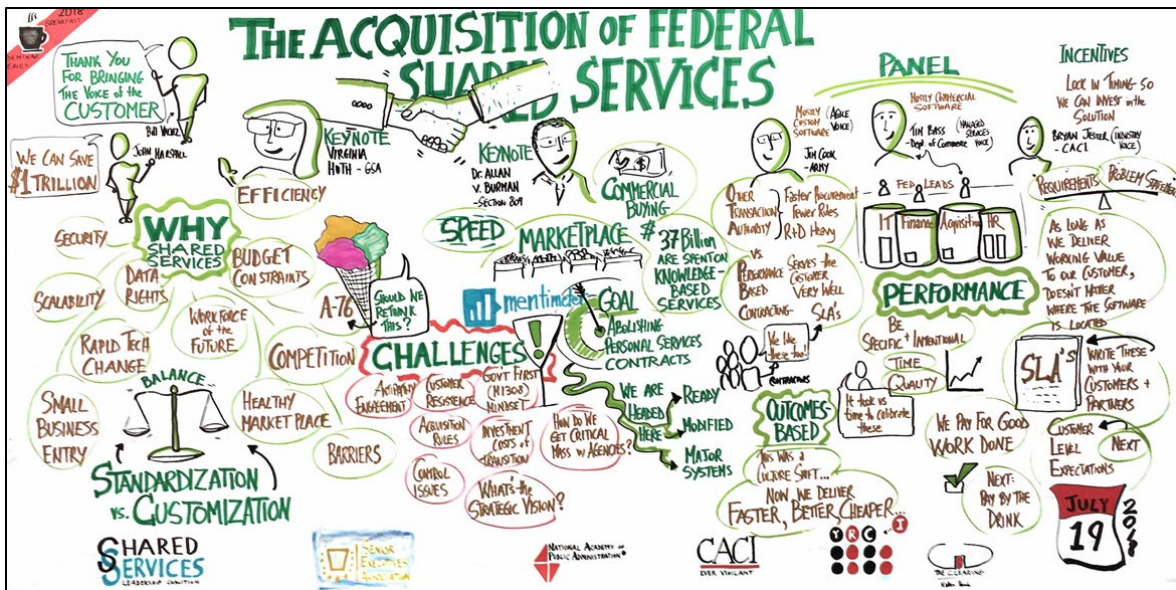
SSLC Breakfast: The Acquisition of Federal Shared Services

Solutions for critical challenges in the successful acquisition of Federal Shared Services

Background

As government leaders move out to fulfill agency mission goals, objectives, and adhere to new administration priorities, the ability to successfully acquire and operate with shared services will play a vital role for long-term success. Within the Federal Government, successful acquisition of shared services requires the ability to overcome number of challenges that often counter traditional government acquisition contracting methods. The seminar discussed key differences between centralized services and shared services, new acquisition and service delivery trends, best practices in defining shared service delivery models, and Section 809 acquisition reform updates. As part of the ongoing SSLC shared services seminar breakfast series focused on advancing government understanding and the successful adoption and transition to shared services, CACI, in partnership with YRCI, organized two key note sessions and conducted a panel discussion on July 19th, 2018, to explore trends, challenges, and share best practices related to the acquisition of Federal Shared Services across the Government.

Our first speaker, Ms. Virginia Huth, Director, Office GSA Acquisition Policy, Integrity & Workforce, Office of Government-wide Policy, delivered an engaging presentation describing the business case for adoption of shared services across government. Our next speaker, Dr. Allan Burman, Commissioner of the Section 809 Panel, discussed recent updates pertaining to the Section 809 Panel, an effort focused on streamlining, simplifying, and adding agility to defense acquisition processes. Our panel discussion moderated by Renee Courtland, Director of Program Development, YRCI featured both industry and government participants offering a 360-degree view of key acquisition challenges. Our panel members included: Tim Bass, Director of Service Management, Enterprise Services, Department of Commerce, Jim Cook, Assistant Product Lead, Applications Management Division, Reserve Component Automation Systems, Army Program Executive Offices - Enterprise Information Systems, and Bryan Jester, Senior Vice President, Financial Management and Acquisition Solutions, CACI. During our keynote sessions and panel discussion, the audience provided insights on key topics and ask questions throughout the session.

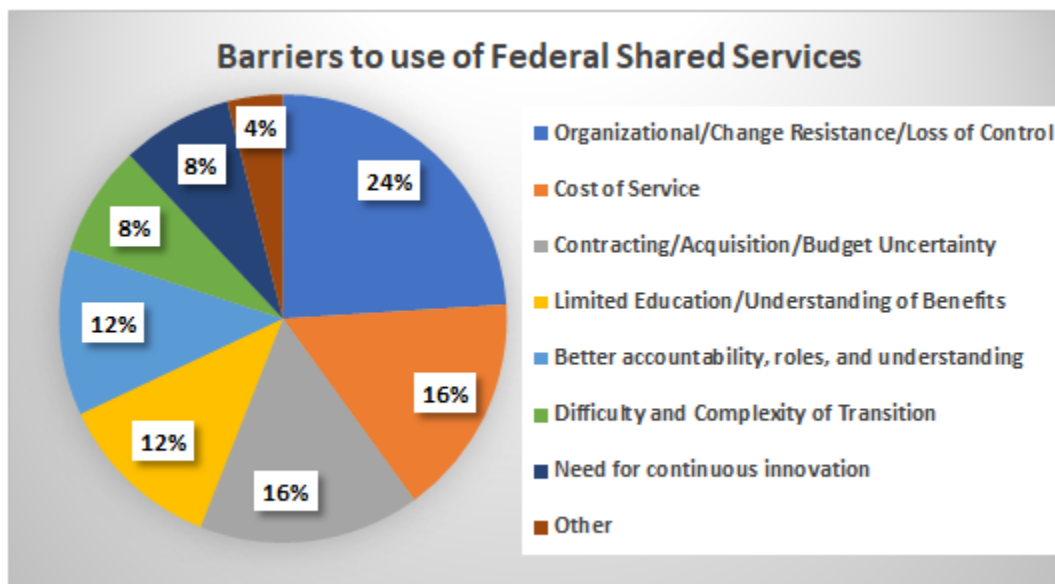


Shared Services Acquisition Challenges

Moving to shared services can help the government overcome multiple existing operational challenges, including increasing ability to migrate away from antiquated, inflexible legacy systems, modernizing poorly designed processes to better leverage advancements in technology automation, and offsetting ongoing pressures to streamline budgets, improve cyber security protections, and increase use of standards to reduce lifecycle costs. Shared services will provide opportunities for the government to transform people, processes, and technology solutions to help achieve the framework needed to support the workforce of the future. Future government workplaces will need to better leverage needed flexibilities for the Gig Economy and a more mobile, increasingly contingent workforce model. Advances in technology including Artificial Intelligence (AI) and Robotics Process Automation (RPA) are in the earliest stages of introduction and can drive enormous benefits in efficiencies, cycle times, and service quality for shared service delivery models.

While the government aims to make best use of taxpayer dollars, procurement and other acquisition factors can create conflict. Sourcing requirements, use of socio-economic, and small business participation factors impact cost efficiencies that can typically be generated by large enterprise-scale shared service providers. On the technology side, a heavy reliance on more expensive tailored solutions in use today typically cost more than standard industry configurations prominent in multi-tenant cloud service provider offerings.

During the seminar, the audience was polled offering free form responses to share from their perspective what are the key barriers to Federal participation in Shared Services. Not surprisingly, the most frequent response fell into the category of organization/change resistance, and/or unwillingness to give up control. Other leading responses included the fear or limited understanding of the actual cost of service including initial service transition and current contracting/acquisition constraints and budget uncertainties due to continuing resolutions. Below is a summary of the audience responses categorized into major themes.



To successfully acquire and institutionalize shared services across the government, the government community will need to balance its need for standardization against the existing need for customization.

Section 809 Discussion

Dr. Allan Burman, the chairman of the Section 809 panel discussed the role of the section 809 panel, it's level of impact on DoD acquisition reform regulations and processes, and some of the opportunities from Section 809 reform that can ultimately benefit the acquisition of Federal Shared Services.

The Section 809 Panel was congressionally mandated as a part of the FY2016 National Defense Authorization Act (NDAA) to serve as an independent, non-FACA commission tasked with streamlining and improving the defense acquisition process. Section 809 will serve as a catalyst for restoring agility and simplicity to defense acquisition through bold and effective solutions and remains focused on creating an agile and simple defense acquisition process providing warfighters what they need, when they need it. The Panel is tasked to review acquisition regulations applicable to the DoD with a view toward streamlining and improving the efficiency and effectiveness of the defense acquisition process and maintaining defense technology advantage. The panel is empowered to make recommendations for the amendment or repeal of existing acquisition regulations that are considered necessary that can improve buyer and seller relationships, improve functioning of the acquisition system, ensure financial and ethical integrity, protect the best interests of the DoD, and eliminate unnecessary regulations.

The initial report, Volume I, released in January of 2018, including 24 major recommendations for action. Recommendations covered improvements in the use of a market focused acquisition framework, commercial buying, contract compliance and audit, knowledge-based services contracting, mission focus on execution of small business programs, and statutory office and reporting requirements. Volume II of the report, released in June 2018, included 10 major recommendations focusing on: acquisition process based on readily available market constructs, simplified commercial source selection processes, existing acquisition workforce challenges, services contracting, fiscal policy changes and flexibilities, and moving from program centric to capability portfolio management processes and methods

Industry inputs into the Section 809 Panel have been vital to the overall process. Some of the key elements factored into Section 809 Panel recommendations include: the need to reduce acquisition cycle times from requirement to contract award, the need to raise threshold levels and delegate approvals, and the need for budget stability and predictability, which is a key requirement for shared service providers to invest more capital into Federal shared service delivery models. Other inputs include increasing the education of the acquisition workforce on the business side of acquisitions and encouraging rewards for risk taking by government and industry, which will help increase the use of innovation and promote the adoption of process improvements that will drive better service delivery.

The final volume of the 809 Panel Report, Volume III is due January 2019. Additional questions or information can be provided by emailing: SEC809@DAU.MIL or by going to the section809panel.org website.

Panel Discussion - Acquisition of Shared Services

Our panel discussion included a combination of government and contractor industry perspectives including recommendations on how to improve acquisition processes.

Our panel shared the value of performance-based contracts using specific and intentional measures for measuring time to completion and quality of service. Ultimately, the customer will pay industry for good work performed. After establishing a good, measurable performance baseline, the government will then be in a better position to evolve into "pay-by-the-drink" and "Fee for Service" delivery models.

Reserve Component Automation System (RCAS), an Army PEO EIS portfolio solutions program that supports mission and operational needs of the Army Reserve and National Guard, has evolved over time from use of Waterfall software development lifecycle methods to pure Agile software development and

delivery best practices. Since the initial transition and transformation, RCAS has become a model program for use of Agile “at scale” and has been endorsed by the Defense Acquisition Program as a best practice for the Department of Defense. Shifting to an outcome-based model was a major cultural shift for the organization, now that RCAS has successfully made the shift to Agile, it has become a faster, better, and cheaper model for application updates, enhancements, and service delivery improvements.

The panel also discussed the critical importance for the government to lock in timing and financial commitment in acquisitions for industry to invest in new modernized solution offerings. The government needs to reduce the usage of government defined requirements versus problem statements or statement of objectives that enable industry can respond enabling room for innovation. Another typical challenge for industry is the identification of specific software or technology packages or software hosting locations while trying to acquire shared services. The most important factor is that the service provider delivers working value for the customer with SLA’s and metrics measuring the improvement, it really doesn’t matter what package is being used or where it is located.

Conclusion

Increasing use of shared services to reduce duplication of tasks, while creating service, and process efficiencies continues to be a pressing item on the President’s Management Agenda and other government wide performance improvement initiatives. Many of the current barriers to widespread adoption are related to either Financial constraints or existing organizational and change resistance. To help mitigate these barriers, it is recommended that a campaign should be initiated to educate the government on tangible benefits that can be achieved by moving from existing to shared service delivery models. Acquisition reform will need to institutionalize acquisition models that will better support use of shared service models. Moving to longer-term total cost of ownership and fee-for-service evaluation models versus use of common five-year contract period of performance contractor only cost evaluations can help moderate existing constraints. In addition, modifying start-up and transition costs to not directly impact technical evaluations or factoring these costs using different trade-off analysis methods will help the government maximize best value service offerings to include latest technology and service automation improvements.