January 14, 2021

MEMORANDUM FOR CHIEF ACQUISITION OFFICERS
                               SENIOR PROCUREMENT EXECUTIVES

FROM: Michael E. Wooten   *Michael E. Wooten*
                               Administrator

SUBJECT: Reducing procurement administrative lead time using modern business
                              practices

       The hallmark of a world-class acquisition system is timely delivery of products and services with good value and customer satisfaction. This requires a concerted effort to reduce friction in the acquisition lifecycle so that the Federal Government can consistently deliver items at the same speed and ease as the commercial marketplace while effectively managing delivery expectations for non-commercial products and services. Using ground-breaking data analytics and the principles of category management to promote volume-based pricing, commercial buying practices, industry engagement, and deep market research, agencies have saved taxpayers over $42 billion in their acquisition of common goods and services, eliminated over 150,000 or 35% of duplicative or sub-optimized contracts, and maintained the government's contract spend going to small businesses at 30% - exceeding the statutory goal of 23% - all while seeking to meet customer schedules. This memorandum takes an important step toward measuring the timeliness of federal procurements by establishing a common definition of "procurement administrative lead time" (PALT) and providing guidance on steps agencies should take to reduce PALT in their acquisition activities through modern business practices that shorten the time from the identification of need to delivery of value. By measuring PALT and addressing areas of friction, the Federal Government will continue to build on prior actions to more effectively steward the use of American taxpayer dollars.

Background

       A common definition of PALT and collection method for publicly reporting PALT data will set the government on a path for identifying and removing root causes of procurement delays. These root causes often produce friction in the acquisition lifecycle for both contractors and the government, and they can result in unfavorable outcomes for taxpayers. As an initial step toward establishing a common definition for PALT and as required by Section 878 of the fiscal year (FY) 2019 National Defense Authorization Act (NDAA), the Office of Federal Procurement Policy (OFPP) published a public notice in the Federal Register in January 2020.

This notice sought public comment on its proposed definition of PALT and its plan for publicly reporting PALT data for contracts and orders above the simplified acquisition threshold (SAT).[1]

As explained in the public notice, OFPP proposed to define PALT as "the time between the date on which an initial solicitation for a contract or order is issued by a federal department or agency and the date of the award of the contract or order." This definition is consistent with the suggested definition included in Section 878 and the definition that has been used by the Department of Defense since 2018. OFPP further proposed to collect data centrally in the Federal Procurement Data System – Next Generation (FPDS-NG). The General Services Administration's Integrated Acquisition Environment included a change to the FPDS-NG to add the "solicitation date" data field as a mandatory reporting requirement for all contracts or orders valued above the SAT. This change makes PALT data centrally located in FPDS-NG and enables agencies and the public to use these data to obtain PALT information for any contract or order issued by the Federal Government that is valued above the SAT.

OFPP received three comments in response to the Federal Register notice. All comments were generally supportive of the definition and approach to public reporting. There were no specific recommendations for an alternative definition or reporting approach.

Definition of PALT

For purposes of benchmarking timely procurements and the responsiveness of federal acquisition activity, PALT shall be defined as the time between the date on which an initial solicitation for a contract or order is issued by a federal department or agency and the date of the award of the contract or order.[2]

In instances where draft solicitations are issued generally for the purpose of seeking input from interested parties to assist the Government in finalizing its solicitation, the issuance date for the "initial solicitation" for purposes of the PALT is the date on which the final solicitation seeking offers, bids, or proposals is issued by the Government. In cases where no solicitation is required, 'the date on which an initial solicitation is issued' is guided by the following instructions, which promote consistent implementation across both civilian and DoD agencies:

- For awards resulting from unsolicited proposals, 'the date on which an initial solicitation is issued' is the date on which the Government notifies the offeror of proposal acceptance.

- For orders placed against indefinite-delivery contracts where pricing is based on pre-priced line items included in the indefinite-delivery contract and no elements of the order's delivery or performance require negotiation, 'the date on which an initial solicitation is issued' is the date of the award of the order.

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[1] Office of Federal Procurement Policy, *Procurement Administrative Lead Time*, https://www.federalregister.gov/documents/2020/01/21/2020-00783/procurement-administrative-lead-time-palt.
[2] Agencies that collect and track additional data points and timeframes outside of the proposed definition, such as from the time a complete requisition package is received by the procurement office, are encouraged to maintain their broader efforts, as they are able, to assist in the management, support, and evaluation of agency procurement operations.

- For the award of a contract under a Broad Agency Announcement (BAA), 'the date on which an initial solicitation is issued' is the date when a final combined synopsis/solicitation is issued except:

  o For two-step BAAs, including white paper submissions for review, selection, and subsequent request for full proposals, 'the date on which an initial solicitation is issued' is the date when the Government signs the proposal request.

  o Under BAAs with calls, 'the date on which an initial solicitation is issued' is the date when the individual call is issued.

  o For open BAAs, when white papers and/or proposals are accepted for review over an extended period (typically open for a year or longer), the 'the date on which an initial solicitation is issued' is either the date when the Government signs a proposal request (white papers) or the date on which the proposal is submitted, whichever is earlier.

FPDS-NG will be used to support measuring and public reporting of PALT data. FPDS-NG data can be used to evaluate PALT for specific types of acquisitions and to determine how timelines are impacted by the use of specific authorities, such as FAR Subpart 6.302-2, Unusual and Compelling Urgency, as well as other authorities that permit limited competition or noncompetitive awards. It is expected that as technology improves and the ability to capture better and more comprehensive procurement and requirements data becomes easier, there will be opportunity to collect and track additional data points and timeframes beyond those covered by the proposed definition.

PALT as a Management Tool

Establishing a common definition of PALT and a plan for measuring and publicly reporting PALT data are important steps in helping the Federal Government to understand and better address causes of procurement delays. PALT can help to drive continual process improvement and the pursuit of more innovative procurement practices, especially when the data are used in combination with other inputs for evaluating the overall effectiveness of the acquisition process in delivering value to the taxpayer, such as cost and the quality of the contractor's performance.

Accordingly, agencies should baseline and benchmark PALT for their acquisitions.[3] Agencies that already collect and track additional data points and timeframes outside of the definition established by this memorandum, such as from the time a complete requisition package is received by the procurement office, are encouraged to maintain their broader efforts, as they are able, to assist in the management, support, and evaluation of agency procurement operations.

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[3] The Frictionless Acquisition Cross-Agency Priority (CAP) Goal under the President's Management Agenda created a series of "north star" objectives for 2025 that include completing 90% of routine, non-major acquisitions and 80% of complex major acquisitions within a timeframe comparable to private sector averages or benchmarks of leading state and local governments, or federal agencies.

Reducing PALT through Acquisition Innovation

As agencies evaluate PALT, they should consider the growing list of proven business practices and technologies that agency acquisition innovation advocates (AIAs)[4] and industry liaisons[5] have been promoting to reduce friction across the acquisition lifecycle. This includes using more innovative and less burdensome processes for conducting acquisitions, leveraging technology to modernize operations and help the workforce move from low to high value activities, and taking advantage of modern "high definition" data analytics to support smarter buying decisions. See Attachment 1 for a description of proven agency strategies organized around different phases of pre-award acquisition and Attachment 2 for agency examples of applying PALT-reducing strategies in various priority programs to improve the responsiveness of the acquisition process.

Many of these PALT-reducing practices are now documented on the Periodic Table of Acquisition Innovations (PTAI), https://www.fai.gov/periodic-table/, along with artifacts and use cases. The PTAI is a knowledge management portal that is designed to help contracting officers and technical representatives, program managers, and other stakeholders find the knowledge they need on a common platform to interact more effectively with each other in building successful buying strategies for their agencies' mission requirements. The table will be augmented to include information on emerging technology projects to modernize operations – including those using robotics process automation, machine learning, artificial intelligence - and post-award practices, such as the more efficient input and export of data from the Contractor Performance Assessment Ratings System to make past performance an even more powerful incentive for stronger performance at both the contract and order level.

Agencies are urged to contribute information on innovative buying practices to the PTAI so that it may become a force-multiplier that helps our community to learn and grow together. Agencies are also encouraged to share information on technology projects to help avoid duplicating efforts and highlight opportunities for partnering on projects.[6]

General questions regarding this memorandum may be directed to Curtina Smith (curtina_o._smith@omb.eop.gov). Questions regarding applications of PALT-reducing strategies discussed in the attachments may be directed to Eliana Zavala (eliana.m.zavala@omb.eop.gov) or to the AIA of the agency cited in the example.

Attachments

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[4] https://hallways.cap.gsa.gov/app/#/gateway/acguisition-innovation-0/7822/acguisition-innovation-advocates-aia-directory

[5] https://www.acquisition.gov/sites/default/files/page_file_uploads/OFPP-AGENCY-INDUSTRY-LIAISONS-DIRECTORY-new.pdf

[6] Agencies should regularly review and update their agency inventory of emerging technology projects in acquisition currently on OMB MAX here. In addition to the PTAI and the inventory of emerging technology projects, OFPP has created a MAX data collection tool for agencies to share information internally on their work towards a more frictionless acquisition environment. The tool is available at https://community.max.gov/x/0tQTfg. Agencies are encouraged to submit regular updates using the MAX data collection tool as progress on initiatives is made. This will help ensure that current information is available as we build out the MAX tool to support robust sharing and collaboration across the acquisition community.

Frictionless Acquisition Strategies to Reduce PALT

Acquisition Phase	Acquisition Action	Frictionless Strategy*	Strategy artifacts on Periodic Table of Acquisition Innovations
Phase 1 **Acquisition Planning to Pre-Solicitation**	Develop Acquisition Plan Form Acquisition Team Conduct Market Research Develop Cost Estimate Prepare Work Statement Develop Quality Assurance Surveillance Plan	**Facilitated Requirements Development Workshop**: use a facilitator to help the integrated program team (IPT) efficiently apply Steps to Performance Based Acquisition and collaboratively develop key requirement outputs such as performance work statements and performance measurements. **Acquisition Requirements Roadmap Tool (ARRT):** help the IPT build acquisition planning documents using a structured process to help ensure the team is asked and answers the right questions. The ARRT suite supports requirements definition, evaluation factors, performance assessment, and cost estimation.	
Phase 2 **Pre-Solicitation to Proposal Receipt**	Engage with Industry Post Requirements Package	**Pre-Solicitation Industry Dialogue**: post draft solicitation and conduct robust interactive Q&A with vendors before solicitation release to improve understanding between government and potential offerors and reduce time needed for additional iterations of draft solicitations and solicitation amendments.	Interactive Q&A
		Government Price in Solicitation: provide target price, estimated price, or price range in solicitation to help reduce industry guesswork.	Affordability

PHASE 3 **Proposal Receipt to Source Selection**	Conduct Exchanges with Offerors Evaluate Technical Capability, Past Performance, and Price Document Evaluations Select Successful Offerors Document Approval of Awardee	**Technical Demonstration**: test proposed software & code to determine level of confidence more efficiently and effectively than through use of written proposal.	Technical Demonstration
		Product Demonstration: test proposed vendor products and embedded technologies to determine level of confidence more efficiently and effectively than through use of written proposal.	Technical Demonstration
		Video Proposal: request vendor capability demonstration via video (e.g., marketing, graphics, IT) where proposal writing is an inefficient way to show capability or in person engagement is not possible or costly.	Remote Acquisitions
		On-the-Spot Consensus: document the consensus evaluation of each proposal in consecutive order before evaluating the next proposal, saving days or weeks of follow-up coordination and consensus based on a not-as-fresh after-the-fact recounting of events.	On-the-Spot Consensus
		Confidence Rating: assess evaluators' level of confidence the contractor will successfully perform the requirements based on work experience, potentially avoiding the time-consuming complications of using less flexible evaluation methodologies.	Confidence Rating
		Advisory Down-Select: based on capabilities statement or other basic information, advise vendors whose proposals aren't among those most likely to be selected for award so they can save the time and money of developing an offer and the government can save the time of evaluating weaker solutions.	Down-Select
		Comparative Evaluation: compare one offeror to another factor by factor and then overall at the end of the process, instead of evaluating against assigned ratings.	Comparative Evaluation
		Highest Technically Rated Offeror: assess offerors' technical qualifications, rank order, and negotiate price based on best technically rated offeror.	
		Streamlined Documentation: document a simple trade off analysis including key decision points, not source selection deliberations.	Brief Decision Documents
		Commercial Simplified Procedures: use modular procedures in accordance with FAR Subparts 13.5 and 12.6 to expediently test and acquire emerging technology.	
		Performance Evaluation Modernization: improve the efficiency of contractor performance evaluation input and output, both for contract and	

		order level activity, such as by using artificial intelligence to support the identification of relevant past performance, monitoring contractor performance with quality assurance surveillance plan and use ratings to inform past performance assessments, allowing for contractor self-assessments, streamlining rating process for COTS and other commercial solutions, and reducing the proliferation of past performance questionnaires.	
PHASE 4 Source Selection to Award	Determine that prospective awardee is responsible	**Contractor Responsibility Determination Bot**: test how Robotics Process Automation can quickly reduce the time required for a contracting officer to make a responsibility determination.	

* The description of strategies in this table is intended to capture how agencies have been discussing and using them during piloting in conjunction with their acquisition innovation advocates. These descriptions are not intended to alter descriptions that may be used in regulation or policy or limit agencies in their adaption of the strategies to reduce friction in meeting mission needs.

Examples of Agencies Using Frictionless Acquisition Strategies to Reduce PALT

Program/Initiative	Frictionless Acquisition Strategy*	Outcome
MyUSCIS	Government price in solicitation	The U.S. Citizenship and Immigration Services included its estimated price range in the solicitation, which reduced time on Q&A with vendors, reduced solicitation rework, and led to a faster government award decision based on IPT pre-approvals to award within the estimated price range. Post-award offeror feedback indicated including the government's "affordability" helps reduce industry bid and proposal burden and can be effective when used for well-defined and mature requirements.
VA.gov modernization	Technical demonstration	The Department of Veterans Affairs' Technology Acquisition Center acquisition, valued at approximately $78M and awarded in 72 days, included timed technical demonstrations that made it easier for the technical evaluation panel to identify more rapidly the best suited vendor to execute the performance work statement.
Training management support system	Product demonstration	Immigration and Custom's Enforcement made an award valued at $12.4M in 79 days using FAR 8.4 procedures for a Software-as-a-Service product to administer and manage career development training. The evaluators required only 4 days to evaluate and document the product solutions and were also able to document vendor capabilities quickly after oral presentations with interactive dialogue.
IT modernization for National Flood Insurance Program	Video proposal	The Federal Emergency Management Agency awarded a $17.7M task order in four months after it issued the solicitation, which requested a video proposal of the offerors' experience for agile software design/development and IT system modernization. In this multi-phased procurement, short video submissions of offerors' technical experience decreased

		the time required by the government for evaluation, as the evaluation team reached consensus faster based on the offerors' demonstrated capabilities.
Technology upgrade at National Risk Management Center	On-the-spot consensus	The National Risk Management Center procurement team awarded a $60 million contract in 56 days between release of solicitation and award. The government team eliminated individual evaluation reports and instead documented decisions together, differentiating top-quality vendors from less qualified candidates.
Environmental Management	On-the-spot consensus	As a general practice, the Department of Energy's Source Evaluation Board (SEB) interviews proposed Key Personnel teams and the SEB immediately evaluates the oral presentations. Because consensus occurs directly after orals, SEB members no longer need to record individual evaluations then come back together with the team for consensus. The immediacy of consensus is saving an estimated ten business days from the evaluation phase.
Facilities and operations support for law enforcement training center	Confidence rating	The Federal Law Enforcement Training Centers (FLETC) awarded a contract in 70 days and saved over $9M using a confidence-level rating scheme, which allowed the source evaluation board to spend just 6 days in the evaluation and documentation process. By contrast, the previous procurement, which used a more traditional adjectival rating process, took 6 months to award. Adjectival ratings offered less flexibility to raters in evaluating vendors' performance abilities. (Time was also consumed by having to review more than 200 pages per proposal in three separate volumes.)
Workforce management & auxiliary IT system for agency component	Advisory down-select	The U.S. Coast Guard down-selected from 17 companies to one in just over four months, established a single-award BPA, and immediately issued an Order. Technical evaluators spent a total of 11 days, in each of the 3-phases of the procurement, completing on-the-spot consensus evaluations and including brief bullet points and confidence ratings in the technical consensus report.

Special Studies and Analysis	Advisory down-select	The National Science Foundation (NSF) awarded a single Order using an advisory-down select process in conjunction with streamlined solicitation and evaluation processes for commercial items (in FAR Subpart 12.6) to select the most qualified vendor out of 12 offerors. In addition to a 4-page technical capability & past performance submission and an interactive dialogue, the down-select helped the NSF save significant time to acquire special studies and analysis.
Patent Examination Data System (PEDS)	Advisory down-select	The U.S. Patent and Trademark Office (USPTO) awarded a $2.8M task order off of the Intelligent Automation and Innovation Support Services (IAISS) Blanket Purchase Agreement (BPA) in 43 days after the release of the solicitation for the CIO's IAISS. Using a 2 phase down-select advisory soft voluntary approach, combined with several other innovative techniques, USPTO efficiently down-selected from 9 quoters to select the best suited technical solution. Services include providing external users the ability to search and download bibliographic data in bulk as well as manage the volume of data that can be downloaded at any given period of time by a particular user to improve patent search capabilities and produce higher quality results that strengthen mission operations.
Data center migration for agency headquarters	Comparative evaluation	The Department of Homeland Security (DHS) awarded a FAR 8.4, $58M task order in 42 days from solicitation issuance to award using the flexibilities authorized under the Federal Supply Schedules to make comparative evaluations of the offerors rather than only evaluating each offeror individually against the stated criteria. The Department saved $13M from the government estimate for the acquisition of commercial licenses and services to migrate multiple instances of service management tools from the DHS data center to a consolidated solution in the cloud.
Overseas development assistance	Highest technically rated offeror	The U.S. Agency for International Development identified the highest technically rated offeror using a point scoring system

		based on the solicitation's criteria to rank offerors' technical qualifications, supported with adjectival ratings and summary rationale. After release of the solicitation, USAID awarded the competitive contract in 79 days compared to 268 days for similar procurements. The technical evaluation approach, combined with a price reasonableness and cost realism evaluation, reduced the procurement workload by nearly two-thirds.
Environmental Management, Hanford Central Plateau	Streamlined documentation	The Department of Energy competitively awarded a $10B indefinite delivery/indefinite quantity hybrid contract that allows for both fixed price and cost reimbursement task orders, within 10 months from release of the final solicitation by requesting proposals for short term task orders (e.g., 1 year) instead of longer-term task orders (e.g., 5 years). This approach streamlined the pricing proposal and evaluation process, which reduced the acquisition timeline by 55%, increased pricing accuracy, improved evaluation analysis for the government, and reduced burden on industry. Equally important, the new hybrid contract allows the department more agility and leverage in negotiating with the contractor to achieve its desired end state outcome of a reduced environmental cleanup liability than it has been able to achieve under its previous strategy of relying on a long-term cost-plus award fee contract.
Data validation with emerging technology	Commercial simplified procedures with streamlined documentation	The Internal Revenue Service (IRS) made multiple competitive awards in three weeks using a 4-page performance work statement in the solicitation, which requested short written proposals. The evaluation team time boxed oral pitches, conducted same day evaluations, and documented a brief decision for the acquisition of stacked technology in short optional stages. The IRS made award to five vendors in 21 days using the simplified acquisition procedures for commercial items in FAR Subparts 13.5 and 12.6.
Transformation Twenty-One Total Technology-Next Generation (T4NG)	Performance evaluation modernization	The Department of Veterans Affairs (VA) Technology Acquisition Center documents T4NG contractors' past

		performance for the agency's Information Technology (IT) and Health IT enterprise contract by calculating a combined numerical score for monthly Quality Assurance Surveillance Plans (QASP), Veterans employment utilization, and small business performance. The QASP reviews are used both to inform performance evaluations for CPARS and to support order level source selection. Leveraging the QASP reduces the time required to evaluate past performance to minutes, instead of hours or days, and has contributed to VA's ability to make competitive, multi-million T4NG awards in under 45 days using the fair opportunity to be considered procedures in FAR 16.5.
Modernizing Access to Past Performance Information	Leveraging the efficiencies of emerging technology	The Department of Homeland Security's pilot to test how artificial intelligence (AI) may be used to quickly identify relevant past performance information in the Contractor Performance Assessment Rating System is demonstrating scalable potential. Initial proof-of-concept demonstrations pointed to the potential for dramatic time savings in the identification of relevant evaluation records and preparation of preliminary reports for review and consideration by contracting officers during source selection. A second pilot phase has commenced with 10 participating agencies.
Responsibility Determination Modernization	Leveraging the efficiencies of emerging technology	The Department of the Army successfully demonstrated how Robotics Process Automation quickly reduces the time for a contracting officer to conduct responsibility determinations, which is saving the Army tens of thousands of labor hours each year, while providing better visibility into whether there may be relevant information to consider.

*The outcomes in this table are as reported by the identified agency. In most cases, the outcomes were achieved by application of multiple frictionless acquisition strategies. The listed strategy was one of the more impactful contributors to the overall outcome achieved.