

FEDSIM® *InForum*

July 2004

A Newsletter for FEDSIM Clients

Issue #1

“We are steadfast in the belief that by better informing you, you will confidently choose FEDSIM as your partner.”



Your Information Tool

FEDSIM Director's Forum

Lisa Akers

Welcome to the premier issue of *InForum*. This publication was created for the clients of FEDSIM, to aid you in knowing more about us. Throughout government, breakthrough digital technologies are helping agencies transform their operations and improve constituent services. But today's federal IT acquisition arena is also more complex than ever - experiencing constraints in the financial, human resources, and legislative areas. As a result your task of guiding a large scale complex IT project to successful completion is ever more challenging as you navigate the dynamic and sometimes murky waters of federal information technology. We understand your situation and are steadfast in the belief that by better informing you, you will confidently choose FEDSIM as your partner. And being professionals, we take great pride in our work and welcome your interest.

Each issue of this publication will focus on one aspect of FEDSIM – whether it is our people, policies and procedures, or our systems. We think you will find each issue illuminating and insightful. In this issue we look at FEDSIM's Project Managers, the expertise that helps set FEDSIM apart from other federal IT acquisition resources. We consider their training in the *Ongoing Quest for Knowledge*, and take one PM's view of performance-based contracting in *So SOO Me!* Realizing you are busy, we cover each article's main points in an executive summary fashion within the newsletter. But for those interested in a greater level of detail, we cover all the particulars in a web-based document you may access. In each issue we also include some regular features: a *Case Study* that relates to the area of focus; an interesting fact or tidbit in *Did You Know*, and, *By the Numbers*, where data relating to FEDSIM is broken down and discussed. I hope you enjoy this issue. Feel free to let me know what you think of *InForum*. My email address is lisa.akers@gsa.gov or call me at 703-306-7620. Thanks.

Ongoing Quest for Knowledge

Project Manager Professional Development

“The biggest handicap for some agencies is a lack of project managers who are qualified to oversee increasingly complex IT programs. We don't have enough project managers or solutions architects who are certified or trained appropriately for the type of work we are asking them to do.” Mark Forman, Former Associate Director of Information Technology and Electronic Government, OMB

Having the workforce competencies to strategically manage large complex

In This Issue A Focus on PMs

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DID YOU KNOW ?

FEDSIM has over 75 Project Managers who completed or are pursuing Master's Certificates in IT Project Management.

Related Links

CIO Council
www.cio.gov

ESI International
www.esi-intl.com/public/ITprojectmanagement/index.asp

Project Management Institute
www.pmi.org

FEDSIM takes pride in its professional development and is one reason it is able to attract, retain, and develop quality project management experts.

IT projects is critical to their success. The Office of Management and Budget is such a strong believer in this statement they are looking to withhold federal funding to IT projects unless agencies provide certified project managers. However qualified PMs are in such short supply in the government that the CIO Council launched a major, multi-phased initiative to attack the issue. FEDSIM has long recognized the importance of the PM in IT projects, to the degree that the position is the core of its organization with a cadre of 100 PM professionals on staff. Having PMs to support and manage a client's project is a key FEDSIM value-added differentiator.

Embracing Professional Development

A survey of the FEDSIM staff indicated they possessed a combined 1,800 years of IT experience and 41% had master's degrees. But as professionals in a dynamic field, continuous education is essential. Employing commercial best practices FEDSIM has actively embraced professional development, integrating it into the organization's culture. Some initial steps taken in this regard include hiring a Training Director, formalizing a professional development program, creating a training management system, and dedicating physical, financial and human resources. The continuous education includes formal and informal, internal and external resources:

Internal Training

- Brown Bag Seminars - Lunch time sessions with internal and external speakers on managing FEDSIM projects and applying PM discipline.
- Knowledge Base - Accessible FEDSIM-wide to read and contribute useful information and policy. Information is validated by staff when added.
- Trusted Advisors Group - Group of senior project managers and acquisition professionals that are an information resource.
- Peer Reviews, and soon a Lessons Learned database where FEDSIM PMs can learn from the experiences, observations, and best practices of others.

External Training

- Informal training through GSA Online University.
- Formal classroom training through professional development organizations and colleges/universities.

Out in Front with PM Certification

Determining necessary project manager "qualifications" has been a recent concern in federal circles and has led to a growing move for PM certification. FEDSIM began over two years ago a significant effort in that regard with three quarters of its project managers participating in a *Master's Certificate in IT Project Management* program from George Washington University and ESI. Many have completed this program and are pursuing the profession's most globally recognized and respected certification credential - the Project Management Professional (PMP) certification by the Project Management Institute (PMI®). To be eligible for the PMP certification, you must first meet specific education and experience requirements and agree to adhere to a code of professional conduct, then pass a rigorous examination.

Rounding Out Body of Knowledge

But alas project management is only part of the body of knowledge a FEDSIM PM must maintain. Equally important is related contracting, technical, and professional training. All project managers receive at a minimum:

- Annual Ethics training,
- Multiple Award Schedule training,
- Section 508 Procurement training, and
- Contracting Officer's Representative (COR) certification - An update

course which helps PMs keep pace with the rapidly changing acquisition world and refresh and renew skills and knowledge required in their roles as CORs for their Agency clients.

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So SOO Me!

Performance-based Contracting's Statement of Objectives (SOO)

Performance-based contracting methods are a Federal policy when acquiring services. The intent is for agencies to describe needs in terms of what is to be achieved, not how it is done. As President Bush said *"rather than micromanaging the details of how contractors operate, the government must set the standards, set the results and give the contractor the freedom to achieve it in the best way"*. Emerging as an acquisition method to achieve this intent is utilization of a Statement of Objectives (SOO), as was done on FEDSIM's ITS-EPA project (See related Case Study on page 4). A SOO is a very short document that provides the basic, high-level objectives of the acquisition, but then turns the acquisition process around and requires competing contractors to develop the statement of work (SOW), performance metrics and measurement plan, and quality assurance plan, all of which are evaluated for contract award.

SOO to the Rescue

In the case of ITS-EPA the SOO listed ten overall objectives that the Environmental Protection Agency (EPA) wanted to achieve, and requested bidders draft the SOW which would achieve the results. Remarkably, the SOO was only five pages long despite the fact the anticipated value of the procurement was over \$800 Million. FEDSIM's use of a SOO was a radical departure from previous EPA procurement practices. However, the ultimate result was incredible innovation in the bidder's proposed technical solutions. Several bidders submitted technical approaches that EPA had never previously considered, facilitating a frank dialogue about EPA's priorities and tradeoffs. The eventual winner of the competition proposed a technical approach that has resulted in a thirty percent reduction in cost and seven-fold increase in efficiency.

SOO-per Performance Measures

For measuring performance during the life of the task, each contractor submitted a set of Service Level Agreements (SLAs) and a corresponding Quality Assurance Plan with their bid. Prior to the procurement EPA had drafted measures based on the results of an internal benchmarking exercise. Thus a consensus was reached between measures proposed by the winning contractor and those objectives sought by EPA, creating twenty end to end measures. These SLAs were incorporated into an award or incentive fee plan which evaluates contractor performance. Each SLA is measured and reported monthly. Every six months the award fee board evaluates contractor performance. These performance-based processes have had a tremendously positive impact in affecting the contractor's behavior to meet EPA's objectives. 🙌

Related Links

Acquisition Net's
*"Seven Steps to
Performance-Based
Services Acquisition"*
www.arnet.gov/Library/OFPP/BestPractices/pbsc/introduction.html

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Next Issue

September 04

*A Focus on Policies &
Procedures*

Director's Forum

Ready for Review

Hey, Look Me Over!

The Right Stuff

By the Numbers

CASE STUDY

EPA Enterprise-wide IT and Telecom Support Services Task

The U.S. Environmental Protection Agency (EPA) Office of Technology, Operations, and Planning turned to GSA FEDSIM when it needed support for its enterprise-wide information technology (IT) and telecommunications support services. The IT Solutions-EPA (ITS-EPA) task order consolidated two previous contracts and covered 19 major areas of IT operations and telecommunications services at the agency's offices and laboratories nationwide.

FEDSIM's acquisition strategy included multiple elements designed to provide EPA with quality IT services at best value while offering the industry partner incentives that ensure results and the flexibility to do the job right. Specifically, the task order:

- Defined expected performance by describing EPA's goals and allowing the industry partner to offer innovative solutions based on best practices,
- Saved taxpayer dollars by offering the potential for future firm-fixed pricing,
- Tied industry partner profit to performance,
- Facilitated small business subcontractor participation and incorporated incentives to encourage the industry partner to meet small business participation goals, and
- Reduced EPA contract surveillance by eliminating bureaucratic processes, allowing the contractor to manage the project, and use of a web portal.

This \$867 million performance-based task trailblazed many large-scale IT acquisition firsts, and resulted in a 30 percent reduction in cost, improved the quality of the industry partner performance, increased efficiency seven-fold, and reduced by over 50 percent the level of contract surveillance required.

According to Mark Day, Deputy CIO at EPA, "the procurement experience with GSA FEDSIM was an incredible success from our perspective at EPA. As a fee-for-service provider to Federal IT customers, we want the best combination of quality and price possible to enable our customers to meet their mission needs, and we believe this procurement gave us that outcome."

GSA Administrator Stephen Perry recently presented FEDSIM Project Manager Chris Hamm with GSA's first *Excellence in Performance-Based Service Acquisition Award* for his efforts on this task. 🖐️

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More Information

Full EPA Case Study
www.gsa.gov/fedsim

FEDSIM Project Manager
Chris Hamm
703-306-7690
chris.hamm@gsa.gov



GSA FEDSIM®
6354 Walker Lane
Suite 200
Alexandria, VA 22310

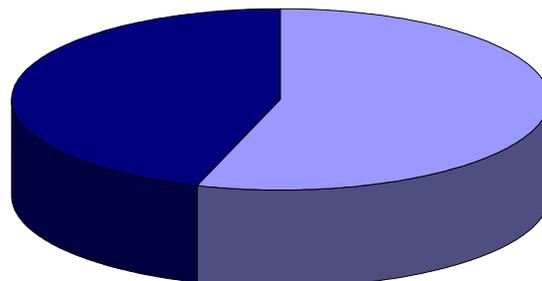
Phone:
1-866-FEDSIM1
(703) 306-7600

E-mail:
fedsim@gsa.gov

Web:
www.gsa.gov/fedsim

By The Numbers

FEDSIM Performance-based Contracting
FY04 3rd Quarter
Total Service Orders \$629,404,365.53



Performance-Based Service Orders
\$346,036,475.01 = 55%