

**U.S. Senate Committee on Homeland Security and Governmental Affairs  
Pre-Hearing Questionnaire for the Nomination of  
Joseph G. Jordan to be Administrator, Office of Federal Procurement Policy**

**I. Nomination Process and Conflicts of Interest**

1. Why do you believe the President nominated you to serve as Administrator of the Office of Federal Procurement Policy (OFPP)?

*I believe that the President nominated me based on my professional skills and experience in both the public and private sectors. I have worked with major corporations, small businesses, state governments, and all Chief Financial Officers (CFO) Act federal agencies on procurement matters. I have spent the last several years working to help small businesses, and have achieved quantifiable results. I understand and respect the myriad stakeholders involved in the federal procurement system and have been able to use collaborative dialogue and data-driven fact-based analysis to achieve results.*

2. Were any conditions, expressed or implied, attached to your nomination?

*No.*

3. What specific background and experience affirmatively qualifies you to be the Administrator of OFPP?

*I have worked on contracting issues in both the public and private sector over the last decade. I participated on and led consulting teams that advised both public and private entities on how to improve their purchasing and supply management practices. During the last 3 years as Associate Administrator for Government Contracting and Business Development at the Small Business Administration (SBA), I oversaw several Federal contracting set-aside programs that drove nearly \$100 billion in government procurement dollars to small businesses. During my time at SBA, we increased performance against all five statutory small business contracting goals while also reducing fraud, waste, and abuse and making significant investments in our people and systems. I have considerable experience testifying before Congress, including twice before the Senate Homeland Security and Government Affairs Committee, working with Senate and House staff, and interacting with many external stakeholder groups.*

4. Have you made any commitments with respect to the policies and principles you will attempt to implement as Administrator? If so, what are they and to whom have the commitments been made?

*No.*

5. If confirmed, are there any issues from which you may have to recuse or disqualify yourself because of a conflict of interest or the appearance of a conflict of interest? If so, please explain what procedures you will use to carry out such a recusal or disqualification.

*In connection with the nomination process, I have consulted with the Office of Government Ethics and the Office of Management and Budget's designated agency ethics official to identify potential conflicts of interest. Any potential conflicts of interest will be resolved in accordance with the terms of an ethics agreement that I have entered into with the OMB's designated agency ethics official and that has been provided to this Committee. I am not aware of any other potential conflicts of interest.*

## **II. Role of the Administrator, Office of Federal Procurement Policy**

6. What is your view of the role of the Administrator of OFPP?

*The Administrator for Federal Procurement Policy must be a collaborative leader for Federal procurement issues. He or she must work with all of the government procurement stakeholders to provide overall guidance and direction for procurement policy, and to the extent appropriate, prescribe policies, regulations, procedures, and forms which shall be followed by executive agencies in the area of procurement.*

*The functions of the Administrator include, but are not limited to, the following: (1) establishing a system of coordinated uniform procurement regulations for executive agencies; (2) establishing criteria and procedures for an effective method of soliciting the viewpoints of interested parties in the development of procurement policies; (3) monitoring and revising policies, regulations, procedures, and forms concerning reliance on the private sector to provide needed property and services; (4) promoting and conducting research in procurement policies, regulations, procedures, and forms; (5) establishing a system for collecting and developing procurement data; and (6) recommending programs for recruitment, training, development, and performance evaluation of procurement personnel. If confirmed, I am committed to working with the procurement community and Congress in each of these areas to achieve an effective and efficient Federal procurement system.*

7. If confirmed as OFPP Administrator, what key performance goals would you want to accomplish during your tenure, and how will this Committee know whether you have accomplished them?

*While there are many challenges and opportunities facing the acquisition community, I plan to focus on three main areas if confirmed.*

*First, we must work with the agencies to ensure the government is buying smarter and maximizing the value of each contracted dollar. We must improve the data analysis and metrics that drive procurement policies and decisions. We should also increase our efforts in areas such as strategic sourcing that allow the government to better leverage its buying power.*

*Second, I will build on ongoing efforts to ensure that we only do business with responsible parties with appropriate ethics and business integrity and that we increase the business we do with small and disadvantaged businesses.*

*Third, we must invest in our acquisition workforce and get these dedicated public servants the support and training that they need to execute this vital mission.*

8. As the government's reliance on contractors has increased and become more complex, OFPP's mission in bringing economy, efficiency, and effectiveness to federal procurement has become more challenging, and yet the staffing level at OFPP has remained relatively stagnant in recent years, at roughly a dozen full time equivalents (FTEs).
- a. In light of the fact that federal government contract spending is well over \$500 billion annually, do you believe that OFPP has adequate funding and staff to execute its statutory responsibilities effectively?

*Having worked with the OFPP team in my previous position at SBA, I appreciate that this small staff has significant and important responsibilities. As the lead office for acquisition policy in the government, OFPP is uniquely positioned to leverage the expertise of the Chief Acquisition Officers Council (CAOC) and other cross-agency groups to expand their understanding of many complex issues and assist in the implementation of key initiatives. I will examine the funding and staffing issue more closely if I am confirmed.*

- b. Do you believe that the current structure of OFPP is effective for executing its statutory responsibilities?

*I will work closely with the Acting Director of OMB and the OFPP staff to ensure the staff are optimally positioned to fulfill their responsibilities if confirmed.*

- c. Given the small number of staff at OFPP, how would you focus your priorities to have the greatest impact on federal procurement?

*Given the budgetary constraints that all agencies are under, I believe that focusing on a small number of key priorities will best serve the agencies. Promoting policies and*

*tools designed to encourage smarter buying – such as increasing strategic sourcing and reducing unnecessary duplication, especially for information technology – can help agencies meet their mission goals using fewer resources. Ensuring that we only do business with high-performing and responsible actors will also deliver more value to the taxpayer. Finally, strengthening the acquisition workforce will serve as the best foundation for ensuring we can meet our key priorities.*

9. Some experts in the acquisition community have suggested that OFPP should focus on the whole acquisition cycle, with a greater emphasis on pre- and post-contracting responsibilities such as requirements planning, contract management, and program accountability. What is your view of this suggestion? What kind of additional resources would OFPP need to expand its focus beyond “procurement” to “acquisition”?

*I believe it is essential to the success of the government's acquisition policies and programs that the community, with OFPP's leadership, emphasizes equally the three key phases of acquisition – planning, award, and administration. From my experience, program managers (PMs), contracting officers (COs), and contracting officers' representatives (CORs) must continue to work more closely together to ensure that 1) requirements adequately describe what's needed, 2) the contracting strategies reduce risk to the government, and 3) agencies are vigilant in contract oversight to ensure taxpayer dollars are well spent throughout the life of the contract.*

*OFPP's recent efforts to encourage smarter buying are an example of the importance of this lifecycle focus. Increasing the use of strategic sourcing demands that PMs and COs coordinate closely during requirements development to better leverage the government's purchasing power. Similarly, reducing spending on management support services requires COs and CORs to monitor more carefully the work being done so that we do not order or pay for more than we need.*

*If confirmed, I will ensure that all three phases of the acquisition process are carefully considered in our policies and practices. I also will examine the funding and staffing issue more closely if I am confirmed.*

10. What do you see as the appropriate relationship between OFPP and the acquisition policy functions of the General Services Administration (GSA) and of other federal agencies?

*Due to its position within the Office of Management and Budget and the Executive Office of the President, I believe OFPP is uniquely positioned to lead the government's acquisition policy function. However, to be successful in this role, OFPP must coordinate closely with GSA, the Department of Defense, the Small Business Administration, and other key agencies. Through OFPP's leadership of the Chief Acquisition Officers Council, the Federal Acquisition Regulatory Council, the Cost Accounting Standards Board, and other cross-agency groups, the views of all agencies*

*can be solicited and considered as OFPP develops and implements key policies. If confirmed, I will work closely with the agencies to ensure that OFPP's policies appropriately reflect their input.*

11. Many of the federal government's acquisition problems relate to the procurement of information technology (IT), which totaled approximately \$80 billion last year. The U.S. Chief Information Officer (U.S. CIO) has undertaken a 25-point plan to reform IT management which includes several initiatives related to the contracting process for IT.

- a. What should be the relationship between the Administrator of OFPP and the U.S. CIO in working to improve the acquisition of IT?

*I believe the OFPP Administrator and the U.S. CIO, who leads OMB's Office of E-Government and Information Technology (E-Gov Office), must work in lockstep to improve the acquisition of IT and, if confirmed, I will make this a top priority. By focusing on strategic sourcing and shared first strategies, agencies can reduce prices paid and avoid duplicative administrative costs. I understand that OFPP works closely with the E-Gov Office in the implementation of the 25-Point Plan to improve vendor-government communications through improved pre-solicitation collaboration. OFPP is working to dispel the misconceptions that sometimes exist in the procurement community around issues of agency and vendor interactions. I also understand that both teams are currently collaborating with GSA to establish government-wide solutions to reduce wireless device and service costs. If confirmed, I look forward to continuing this good work to further improve the acquisition of IT.*

- b. On what specific initiatives will you seek to collaborate?

*If confirmed, I look forward to engaging with the CIO to determine which specific initiatives would benefit from our collaboration, but I am confident that advancing the efforts to strategically source and share IT resources will be an area of joint focus.*

### **III. Policy Questions**

#### *Contract Award and Management*

12. On March 4, 2009, the President issued a memorandum directing the Office of Management and Budget (OMB) to issue guidance to assist agencies in identifying contracts that are wasteful, inefficient, or otherwise not likely to meet an agency's needs. The President also asked OMB to issue additional guidance on a number of specific issues related to acquisition management. Following this charge, OMB issued a series of memoranda to agencies, including directives requiring agencies to save \$40 billion annually by Fiscal Year (FY) 2011 and reduce the share of dollars obligated under new

“high-risk” contracts (e.g., noncompetitive, cost-reimbursement, and time-and-materials contracts) by 10 percent in FY2010.

- a. Last fall, Government Accountability Office (GAO) released an analysis of reported savings under these initiatives.<sup>1</sup> GAO found that under OMB’s initiative, agencies had undertaken many strategies – e.g., improved planning, strengthening the workforce, streamlining processes – that show promise in yielding long-term savings or improved acquisition outcomes. However, GAO also found that the extent of savings resulting from OMB’s initiatives was unclear, and that some agencies reported savings that appeared to result from overall spending decisions and not necessarily from contract reforms. What metrics do you think could be developed to better track the results of these contract reform efforts?

*Different types of savings initiatives will warrant different measures. For example, an initiative that involves buying less of a product or service on which there is evidence of overspending, such as management support services, can be measured by looking at the difference between base year spending for that service and target year spending, as reported by product or service code to the Federal Procurement Data System (FPDS). Other types of savings initiatives, such as strategic sourcing, may call for more sophisticated measures since savings may be derived in multiple ways. If confirmed, I will work closely with the agency CAOs, SPEs and the CAOC’s Strategic Sourcing Working Group to review the different methodologies that agencies developed to measure savings. I will work with the interested stakeholders to identify those metrics and reports that most effectively and accurately capture the savings and syndicate them to achieve greater consistency across agencies in how they track results.*

*Having spent much of my private sector career developing quantitative metrics that companies and other organizations could use to make strategic and tactical decisions, I look forward to applying this insight to government-wide acquisition initiatives, if confirmed as OFPP Administrator. During my time at SBA, I oversaw the complete revision of the Small Business Contracting Scorecard to increase transparency, data-driven management, and accountability for results.*

- b. GAO found that in FY2010, agencies had decreased use of high-risk contracts by less than 1 percent – well short of the 10 percent goal. GAO recommended that OFPP expand its focus to include other high-risk areas, such as noncompeted blanket purchase agreements. What plans do you have for further focusing agency attention on high-risk contracts to ensure that these types of contracts are used only when appropriate, and to ensure that when they are used, agencies exercise proper oversight to protect against waste of taxpayer dollars?

---

<sup>1</sup> GAO, *Federal Contracting: OMB’s Acquisition Savings Initiative Had Results, but Improvements Needed*, GAO-12-57 (Washington, D.C.: November 2011).

*As stewards of taxpayer resources, agencies have an ongoing responsibility to manage and reduce their high risk contracting. If confirmed, I would expect high risk contracting to be an ongoing subject of the Acquisition Status (AcqStat) sessions that OFPP holds with each CFO Act agency. During these sessions, I would want to discuss the agency's analysis of its high risk spending data, successes in adopting best practices (such as contract review boards to review planned acquisitions and internal scorecards to evaluate the effectiveness of internal policies and controls) and any policy challenges where OFPP might be able to lend its assistance.*

- c. What do you see as the next critical steps needed to further the goal of reducing wasteful, inefficient, or ill-structured contracts?

*I believe there are at least two steps that need to be taken. First, agencies need to ensure that the acquisition workforce is receiving the training it needs to structure and manage potentially high risk contracts effectively when their use is justified. Development, negotiation and management of cost-type contracts, in particular, require a higher level and broader range of skills -- e.g., cost and price analysis, finance, accounting, industrial engineering -- than are typically required for competitively awarded fixed-price contracts. Second, we must keep an eye on how agencies are managing new regulatory requirements that have been put in place to help agencies reduce risk and get better results from their contracts. In this regard, I was very pleased to read that the FAR Council recently finalized rules to strengthen agency management of cost-reimbursement contracts and increase competition for blanket purchase agreements. I plan to study these rules more carefully, if confirmed, and will discuss with agencies the progress they are making in implementing these rules.*

13. Cost, schedule and performance problems often arise because agencies do a poor job of setting requirements before negotiating contracts, project unrealistic cost estimates, or change requirements after entering contracts. What actions do you believe OFPP can take to improve the processes of setting requirements for contracts, especially for complex acquisitions, and of developing more realistic cost estimates?

*Requirements development, scope management, and cost estimating continue to be challenging areas for agencies, and these challenges often grow as programs become more complex. However, I think that some good work in this area has been done and, if confirmed, I look forward to building on these efforts. For example, in support of OMB's 25-Point Plan for improving the acquisition and management of IT, I understand that OFPP issued its "MythBusting" memorandum, and continues to develop ways to improve government-vendor communication during the requirements development phase. This will help the government better understand the marketplace -- both the technology and the pricing -- and will encourage the industry to help shape the acquisition strategy and project requirements. Further, OFPP issued guidance to agencies on developing IT*

*acquisition cadres so that their highest risk, most complex IT programs could be managed by a specially trained cadre of program managers, contracting officers, contracting officers' representatives, and other key acquisition professionals. This concept could be used for many types of high-risk programs that require dedicated attention throughout the lifecycle of the program.*

14. Holding contractors accountable for past performance is an important tool for making sure the federal government receives good value from its contracts. However, in 2009 GAO found that contracting officials were reluctant to rely on currently available past performance data in making contract award decisions because of concerns about the reliability and relevance of the data.<sup>2</sup> On July 29, 2009, OFPP issued a memorandum to Chief Acquisition Officers and Senior Procurement Executives reinforcing new Federal Acquisition Regulation (FAR) requirements for the electronic submission of past performance information. OFPP also outlined management responsibilities for implementing the new FAR rules. On January 21, 2011, OFPP issued a summary of its review of agencies' past performance assessments. Based on sampling of agency data, OFPP estimated that past performance assessments had been completed only for a small percentage of awards, especially in civilian agencies. OFPP also found that reports generally lacked sufficient information.

- a. Why do you think agencies are reluctant to complete meaningful past performance assessments when these assessments could be extremely useful tools in helping agencies select qualified contractors?

*I do not believe agencies are reluctant to complete meaningful past performance assessments, but instead that they often lack adequate resources and proper training to complete meaningful assessments in a timely manner. I understand that OFPP issued several memoranda to improve past performance assessments, and that recent regulatory changes were made to establish, among other things, a single, web-based government-wide repository for performance assessments. If confirmed, I look forward to working with the agencies to ensure the acquisition workforce has the resources and tools necessary to conduct meaningful past performance assessments so that only responsible, qualified contractors are selected for award.*

- b. What would you do to follow up on the July 29, 2009 OFPP memorandum to Chief Acquisition Officers and Senior Procurement Executives regarding management responsibilities in implementing FAR rules related to past performance?

---

<sup>2</sup> GAO, *Federal Contractors: Better Performance Information Needed to Support Agency Contract Award Decisions*, GAO-09-374 (Washington, D.C.: April 2009).  
U.S. Senate Committee on Homeland Security and Governmental Affairs Pre-Hearing Questionnaire



*If confirmed, I will build on the guidance that OFPP issued in January 2011, which recommended that agencies take additional steps to improve the collection of past performance information, and on existing outreach efforts to emphasize the importance of collecting and using past performance information. For example, I understand that OFPP meets with agencies throughout the year for AcqStat sessions to review acquisition practices and progress in achieving goals for various acquisition priorities (e.g. strategic sourcing initiatives, small business participation, past performance, etc.). If confirmed, I will continue these discussions and expect agencies to report on their management oversight strategy for collecting past performance information and demonstrate efforts made to improve their workforce's knowledge of the requirements and the tools available to assist in this important effort.*

- c. What do you think are the key steps that agencies need to take to improve the quality of past performance information?

*While I have not had a chance to discuss this with agency acquisition officials, I believe that to improve the collection of useful and timely contractor past performance information, agencies should strengthen their past performance reporting guidance and management controls and make certain their workforce is aware of the FAR requirements and has been adequately trained on how to create an effective performance record in the government-wide repository. Additionally, as with other policies, agencies need to establish clear roles and responsibilities for those responsible for preparing and reviewing these assessments and make certain these individuals receive proper training to perform these tasks.*

- d. Would the quality of past performance information be improved by more training, better technology, active leadership, and/or more focus on contract administration/management tasks?

*Yes. I believe that additional training, better information technology, and leadership's focus on contract administration would improve not only the quality of the past performance assessments, but other important contract management tasks as well.*

- e. Will you continue to monitor and report on agency efforts to improve past performance assessments?

*Yes. If I am confirmed, I will continue to monitor agency efforts to improve their contractor performance evaluations and to look for ways to provide the workforce the tools needed to complete this important work.*

- f. How do you intend to hold agencies accountable for improving past performance assessments?

*I understand that OFPP's January 2011 guidance asked agencies to implement a series of steps to improve past performance assessments, such as establishing a review process similar to the sampling review conducted by OFPP, to help measure compliance and assess the quality of past performance information throughout the year. If confirmed, I will ensure that the OFPP team and the agencies continue to make ongoing improvements to past performance information collection. In addition to encouraging the use of the new tools described above, I will emphasize the importance of this effort in AcqStat sessions, Chief Acquisition Officers Council (CAOC) meetings, and other opportunities for engagement with senior leadership and front line professionals.*

15. GAO has designated contract management as a high-risk issue in three agencies – the Department of Defense (DOD), the Department of Energy (DOE), and the National Aeronautics and Space Administration (NASA) – and has identified problems in individual acquisitions at numerous other agencies, including the Department of Homeland Security (DHS). What role do you think the OFPP Administrator should play in working with these agencies in resolving the problems that led to the high-risk designation?

*I believe that it is important for the OFPP Administrator to work collaboratively with both GAO and Federal agencies on any contracting practice that GAO deemed high-risk or otherwise identified as an area in need of significant attention. I understand that agencies use GAO's insight into the root causes of high risk contract management practices to develop corrective action plans which, in turn, has helped OFPP and the Resource Management Offices within OMB to better understand the challenges these agencies face and provide appropriate support. If confirmed, I would want to work closely with DOD, DOE, NASA, and DHS (in collaboration with GAO) to ensure progress is being made in addressing high risk and other identified acquisition challenges and OMB is providing the support agencies need to resolve these problems.*

#### *Interagency Contracting*

16. As you know, GAO designated management of interagency contracting a government-wide high-risk issue in January 2005. GAO stated that this method of procurement, when used properly, provides government personnel with a simplified means to acquire goods and services. However, GAO deemed interagency contracting as a high-risk area in part because of the need for stronger internal controls, clear definitions of roles and responsibilities between agencies that award umbrella contracts and agencies that issue individual orders under those umbrella contracts, and training to ensure proper use of interagency contracts. In its 2011 update of its high-risk report, GAO acknowledged that

OMB, GSA, and agencies have made progress in improving the management of interagency contracting. GAO found remaining challenges, though, that prevent agencies from fully realizing the benefits of interagency contracts.

- a. GAO noted the lack of reliable, comprehensive data on the number of multi-agency contracts (MACs). Do you envision creating a database that would allow agencies to know what MACs are available for their use?

*I view interagency contracting as a valuable tool that can offer important benefits to agencies, including reduced administrative costs and the ability to leverage resources and buying power. I believe that making information available about multi-agency contracts and other government-wide contracts will improve our ability to achieve better pricing, improved quality, and increased administrative efficiencies. If confirmed as OFPP Administrator, I will work with GSA and other agencies to explore viable options, including databases, for providing information about multi-agency and other contract vehicles that are available for interagency use.*

- b. GAO also found that GSA lacks data about customer agencies' use of its Multiple Award Schedule program – the largest interagency contract program – which limits GSA's ability to determine how well the program meets its customers' needs. How should GSA collect this data?

*This is an area that, if confirmed, I would explore with GSA. I am not familiar enough with the issues at this point to provide an opinion.*

- c. What lessons do you think civilian agencies could learn from efforts at DOD to provide transparency on pricing data? Should there be a civilian counterpart to DOD's defense contract pricing center of excellence, which is responsible for pricing data analyses?

*This is an area that, if confirmed, I would want to explore with DOD, GSA, and other agencies. I am not familiar enough with the issues at this point to express an opinion, but am interested in pursuing solutions that improve operations and enhance transparency. I believe that increasing price transparency within the government is crucial to achieving the goal of buying smarter.*

17. Unnecessary duplication of MACs undermines the federal government's buying power and unnecessarily increases administrative costs across the government. In its final recommendations, the Acquisition Advisory Panel, created by Congress in the Services Acquisition Reform Act of 2003 (P.L. 108-136), recommended that MACs and certain large single-agency contracts be centrally coordinated by OMB to avoid unnecessary duplication. Responding to this recommendation, the Committee approved a provision in

2007 to require that new MACs be justified by a business case analysis. This provision, in amended form, was included as section 865(b)(2) of the National Defense Authorization Act for FY2009 (P.L. 110-417). OFPP finally issued a memorandum to implement this provision on September 29, 2011.

- a. The OFPP memorandum requires business cases for Governmentwide Acquisition Contracts for (GWACs) IT to be submitted to OMB. This is consistent with the Clinger-Cohen Act, which requires OMB to designate an agency as an executive agent for each GWAC. However, for other types of MACs, blanket purchase agreements and agency-specific contracts, the September 29 memorandum states that OFPP “reserves the discretion to require the agency to submit the approved business case to OMB for review, prior to the agency releasing a final solicitation.” When do you think OFPP should exercise this discretion?

*As I understand the OFPP memorandum, it is intended to strengthen agency buying practices and help agencies avoid duplicative contracts that are wasteful to vendors and the government. While there are several possible approaches to ensuring agencies conduct thorough needs assessments before issuing a new MAC, I expect OFPP would follow up with an agency when it is clear that the agency has failed to consider the suitability of existing interagency vehicles and agency-specific contracts or when the agency has failed to describe the value that will be added by establishing a new interagency contract – as these would be warning signs of a wasteful investment.*

- b. Short of requiring agencies to submit the business cases to OMB for review, what will you do to ensure the quality of agencies’ business case analyses?

*I believe there are steps that can be taken to ensure the quality of business cases. For example, periodic review (e.g., sampling of business cases) by OFPP can help to ensure that agency decisions to award new acquisition vehicles are supported by analysis that adequately demonstrates the potential value of the proposed vehicle. If confirmed, I will work with OFPP on additional measures to ensure the quality of analysis contained in agency business cases.*

18. Congress has authorized state and local governments to purchase goods and services off the GSA schedules in limited circumstances. The E-Government Act of 2002 (P.L. 107-347) authorized state and local governments to purchase information technology equipment from GSA schedules. Congress again granted similar purchasing authority, known as “cooperative purchasing,” in 2007 by authorizing state and local governments to use the GSA schedules for purchases related to recovery from disasters, acts of terrorism, or nuclear, biological, chemical or radiological attack. In 2008, Congress enacted the Local Preparedness Acquisition Act (P.L. 110-248) authorizing state and

local purchasing under GSA Schedule 84, which covers products and services related to law enforcement and security.

- a. Do you believe that cooperative purchasing is a concept that should be further expanded? In your view, does cooperative purchasing create any risks, either for GSA or for state and local governments?

*In general, I am open to innovative ideas in procurement. However, I have not yet had the opportunity to study this topic thoroughly. Before forming an opinion or making a decision, if confirmed, I would like to meet with the various stakeholders and assess the potential benefits and risks.*

- b. Currently, federal grantees are specifically excluded from participating in the cooperative purchasing. What are the benefits and risks to the federal government in expanding the cooperative purchasing program to include federal grantees?

*I have not yet had the opportunity to study this issue. However, if I am confirmed, I look forward to working with the Office of Federal Financial Management on the possibility of applying innovative procurement ideas to Federal grantees.*

#### *Acquisition Workforce*

19. Total spending on government contracts has roughly doubled over the period from 2000 to 2008, yet the number of federal acquisition specialists who help plan, write, and oversee these contracts remained fairly constant, following a downsizing of approximately 50% in the 1990s. In FY2009 – FY2010, the number of contract specialists at civilian agencies grew by 6.5%, while the number grew slightly less at DOD. This modest increase, though, is overshadowed by the coming retirement boom in the federal workforce. The Federal Acquisition Institute (FAI) reports that retirement eligibility within the next 10 years will remain almost constant, at just under 50% of the workforce.

- a. What are your views on the quality, and capacity of the federal acquisition workforce?

*I believe that a well-trained acquisition workforce is the foundation for ensuring taxpayers get the best value for their money. To do this, we need to continue to build the capacity and capability of the workforce to meet current and future demands – especially in light of pending retirements. The Administration has taken strong steps in this direction – from requesting resources in the President’s Budget to refreshing certification standards – but more needs to be done and I intend to make this a priority, if confirmed.*

- b. Are there particular types of acquisition roles for which there should be an increased focus in recruiting (such as senior acquisition professionals, contracting officers, contracting officer representatives or contracting officer technical representatives)?

*Each function of the acquisition workforce has an important role in ensuring better program outcomes, and agencies must do the appropriate planning to determine their human capital needs. However, I have heard from leaders in the acquisition community that there should be a focus on recruiting cost/price analysts who can help us negotiate better deals and manage our costs on more complex programs. I also think an increased focus on Contracting Officers' Representatives would be helpful in managing contracts post-acquisition. If confirmed, I want to explore these areas more closely.*

- c. What specific actions should OFFP take to better define the scope of the federal acquisition workforce?

*I believe that OFPP should continue to focus on the broad scope of the acquisition process – from requirements development through contract administration – and its workforce policies should reflect this focus. Specifically, program personnel who help define the requirements for an acquisition and individuals who serve as contracting officers' representatives (CORs) during performance need to understand the importance of their role in the process and should be trained and developed accordingly. I understand that OFPP recently updated their COR certification program and has plans to update additional certification requirements to ensure the acquisition workforce has the skills it needs, and if confirmed, I look forward to working with the team to continue this work.*

- d. If confirmed, what steps would you take to ensure that the federal acquisition workforce is capable of meeting the government's future acquisition needs and challenges – particularly in the area of service contracting?

*If confirmed, I will make strengthening the acquisition workforce a top priority. I understand that OFPP leads a robust human capital planning process with the civilian agencies each year, in accordance with their acquisition workforce development strategic plan, and that this process is helpful to agencies in identifying and strengthening their acquisition workforce. I believe this process is also valuable to OFPP in identifying areas of focus for its human capital initiatives, such as providing guidance and tools to improve service contracting and other key initiatives. If confirmed, I intend to discuss these agencies' plans with agency Senior Procurement Executives to ensure they are making their workforce development an agency priority.*

*I also intend to work closely with GSA and the Federal Acquisition Institute (FAI) Board of Directors who lead FAI. In an era of significant budget constraints, the acquisition community must come together to better leverage agencies' efforts to train and develop the acquisition workforce members. If confirmed, I also want to ensure that there is adequate consultation with the Office of Personnel Management on human capital matters and adequate partnership with the Defense Acquisition University so that we take advantage of these organizations' expertise.*

- e. How would you address the special workforce challenges in the context of overseas contingency contracting?

*This is an area that, if confirmed, I would explore more closely with OFPP, DoD, and other agencies currently involved in overseas contingency contracting to better understand the unique challenges that this workforce faces. I would imagine that in this environment, program managers, contracting professionals and contracting officer's representatives must work very closely together to define requirements, manage contractors appropriately, and ensure that the government gets what it needs.*

- f. What metrics should agencies use to gauge whether they have sufficient numbers of in-house staff to maintain institutional capacity to carry out the full range of acquisition functions?

*I agree agencies should make certain that they have enough expertise in their technical and procurement functions that they can competently evaluate proposals and negotiate in the best interest of the government. In my experience, agencies need to engage in rigorous human capital planning that reflects a broad discussion with other functional leaders, such as agency CFOs, CIOs, and CHCOs who are often partners in the our acquisition efforts. Additionally, I believe this planning is best supported by a wide range of metrics and performance indicators including, but not limited to, reductions in the use of high-risk contracting vehicles, increased competition, increased small business participation, etc. If confirmed, I look forward to working with the community to identify other ways to ensure agency acquisition personnel have the skills and capacity needed to meet mission goals.*

- g. In assessing the functions of OFPP, what priority would you assign to improving the size and skills of the federal acquisition workforce?

*Strengthening the acquisition workforce would be a top priority of mine, if confirmed.*

- h. How would you recruit the next generation for the acquisition workforce?

*If confirmed, I would work closely with the Office of Personnel Management, FAI, and*  
U.S. Senate Committee on Homeland Security and Governmental Affairs Pre-Hearing Questionnaire Page 15 of 41

*other agencies in recruitment efforts with a focus on understanding the goals of the next generation and how best to recruit and retain them. It is my understanding that many younger acquisition professionals are attracted to the mission of an agency, so making the connection for them so they can see how their efforts contribute to that mission is important.*

20. Section 864 of the 2011 National Defense Authorization Act (NDAA) clarified the organizational structure, missions and functions of the FAI. The FAI provides important career training and development for federal workers involved in the procurement of goods and services on behalf of federal civilian agencies. This section of the NDAA is identical to S. 762, legislation introduced by Senator Collins and approved by this Committee in 2011. The provision requires the Director of FAI to be appointed by and report directly to the OFPP Administrator. The provision also strengthens the qualification requirements for the Associate Administrator of OFPP for Acquisition Workforce Programs and elevates that position by ensuring it is located at OFPP, not FAI. As the Committee explained in its report to S. 762, “these changes would clarify the responsibilities of OMB – the federal government’s lead and cross-cutting agency for management – with respect to FAI.”

- a. In light of this legislation, what do you see as your role with respect to FAI?

*I envision the OFPP Administrator taking a strong leadership role with respect to FAI and, if confirmed, I look forward to working with GSA and the FAI Board of Directors to take an active role in helping FAI prioritize the many needs of the civilian agency acquisition workforce. I note that the Associate Administrator for Acquisition Workforce Program at OFPP works very closely with the Director of FAI, and I understand that there has been significant progress made in developing FAI into a valuable resource for the community. If confirmed, I intend to meet regularly with the GSA and FAI leadership team to ensure the community’s needs are being met or exceeded.*

- b. How will you implement the provision requiring the Director of FAI report directly to the OFPP Administrator?

*If confirmed, I intend to take an active role in the management of FAI and to work closely with GSA in that effort. In particular, I would work closely with the Director of FAI in setting the strategic direction of the organization and will consult with the GSA leadership on a regular basis regarding FAI’s performance. Additionally, I will meet with the FAI Director and the FAI Board of Directors frequently to ensure the organization is meeting or exceeding its goals and the community’s expectations.*

- c. What action will you take to improve FAI given these new authorities in Section 864?



*If confirmed, I hope to work closely with OFPP, GSA and FAI to develop a Service Level Agreement establishing roles and responsibilities for each of these organizations, formalizing the FAI Board of Directors, and setting performance expectations for FAI. I understand that FAI has already made some progress in improving how it meets the needs of the civilian agency acquisition workforce, but there is still work to do. If confirmed, I will work closely with OFPP's Associate Administrator for Acquisition Workforce Programs, FAI, and the FAI Board of Directors to ensure FAI continues to improve and will seek frequent input from the acquisition leadership throughout the Government on FAI's performance.*

- d. How will you identify duplication in civilian acquisition workforce training and leverage training resources government-wide?

*I understand that OFPP and FAI are working with each of the civilian agencies to understand their acquisition workforce training initiatives in an effort to leverage these important resources government-wide. In this fiscal environment, we cannot afford for agencies to waste money duplicating efforts. If confirmed, I will support FAI's efforts to collaborate with other civilian agency acquisition training programs to leverage training and development initiatives supporting all members of the civilian agency acquisition workforce.*

- e. How do you plan to leverage Defense Acquisition University and VA Acquisition Training Academy resources? What lessons learned can be gleaned from these organizations to improve FAI training for the civilian acquisition workforce government-wide?

*I will support increased collaboration between FAI, the Defense Acquisition University (DAU), the VA Acquisition Training Academy, and other Federal organizations that provide training to acquisition workforce members in order to leverage these critical resources and meet the needs of the civilian agency acquisition workforce. I understand that DAU has great training and research resources, and I recently visited the impressive facility at the VA Academy. If confirmed, I will meet regularly with the leadership of these and other organizations to leverage resources and share best practices.*

- f. How do you plan to implement requirements for government-wide training standards and certifications? What is OFPP's role in this process?

*I understand that OFPP is responsible for developing certification requirements for the civilian agency acquisition workforce. If confirmed, I will work with the appropriate stakeholders to update the certifications for contracting professionals and project/program managers and will ensure that appropriate training is offered by FAI and its training partners.*

- g. How do you plan to use the new flexibility in the use of the Acquisition Workforce Training Fund to improve FAI and training opportunities for the civilian acquisition workforce?

*If confirmed, I will work closely with FAI and its Board of Directors to ensure appropriate initiatives are put in place to strengthen the civilian agency acquisition workforce. These efforts will be geared toward developing the acquisition workforce, which will include both training opportunities and other developmental initiatives. Having more flexibility in using the Acquisition Workforce Training Fund will be helpful in implementing broader developmental initiatives.*

21. Civilian acquisitions were approximately one-third of the total \$535 billion in federal acquisitions in FY2011. We understand that FAI is supported by approximately \$15 million in the Acquisition Workforce Training Fund. By contrast, the estimated budget for the Defense Acquisition University for FY2013 is \$147 million – a much larger budget in relation to DOD’s acquisitions than FAI’s in relation to civilian contracting.

- a. Do you think that FAI has adequate budget and resources? What should the budget of FAI be?

*If confirmed, I would discuss this with the leadership at GSA and FAI. I am not in a position today to express a view on this question other than to underscore my commitment to ensure the development of a competent and capable acquisition workforce.*

- b. What benefits or challenges would you envision to establishing a civilian agency counterpart to the Defense Acquisition Workforce Development Fund?

*I appreciate all that this Committee has done to support the civilian agency workforce – especially the establishment of the Acquisition Workforce Training Fund, which is the first centralized funding source for civilian agency workforce development. However, I am not as familiar with the benefits or challenges that a fund similar to the Defense Acquisition Workforce Development fund would offer, but if confirmed, I will examine the issue more closely.*

### *Managing the Multi-Sector Workforce*

22. Reliance on contractors, especially for services that closely support inherently governmental work, raises a risk that government decisions are not adequately independent of contractor judgments. On September 12, 2011, OFPP issued Policy Letter

11-01, "Performance of Inherently Governmental and Critical Functions" to help clarify when governmental outsourcing for services is and is not appropriate. Specifically, the Policy Letter aims to clarify what functions are "inherently governmental" – and must therefore always be performed by federal employees – and to explain precautions agencies must take when work is "closely associated" with inherently governmental work. Additionally, the Policy Letter directs agencies to identify "critical functions," which may be performed by contractors as long as agencies retain sufficient internal capacities to maintain control over functions that are core to the agency's mission and operations. Finally, the Policy Letter outlines a series of agency management responsibilities for the effective implementation of these policies.

- a. What plans do you have to follow up with agencies regarding their implementation of Policy Letter 11-01? Do you think that OFPP should give a specific deadline to agencies for meeting implementation requirements of the Policy Letter?

*As indicated by the policy letter, rebalancing the relationship between contractors and Federal employees requires collaboration between human capital, budget and contracting officials. The policy letter further requires that agencies designate responsible management officials to OMB by June 1, 2012. Implementation of Policy Letter 11-01 will require an ongoing effort, and if confirmed as the Administrator, I will request updates from the designated officials to make sure agencies are making reasonable progress and to identify best practices and lessons learned that can be shared across agencies.*

- b. Some members of the contracting community have expressed a concern that the Policy Letter creates confusion about the difference between "closely associated with inherently governmental work" and "critical functions". What will you do to ascertain whether additional guidance is needed to eliminate any confusion?

*If confirmed, I will work with the designated agency officials to discuss implementation efforts. As part of these discussions, I will gauge if agencies are experiencing challenges in understanding the differences between these terms to inform if any further clarifications are needed. The preamble to the policy letter states that OFPP intends to work with the Federal Acquisition Institute and the Defense Acquisition University on appropriate training materials for the acquisition workforce and other affected stakeholders. I intend to follow up to ensure the training needs of the acquisition community associated with the implementation of the policy letter are being met, should I be confirmed.*

- c. What other steps would you take as Administrator to assure that agencies clearly establish roles and responsibilities for support contractors as well as provide effective oversight of support contractors?

*If confirmed, I will work with the designated agency officials to ensure that agencies have appropriate internal policies and controls in place to implement the requirements of the policy letter, such as the requirement that the agency consider establishing in the contract specified ranges of acceptable decisions and/or conduct and that the agency assign a sufficient number of qualified government employees to give the necessary management attention to the contractor's activities. I will also work with the FAR Council to ensure the appropriate regulatory changes are made to the FAR and with FAI and DAU to make sure our agencies' training needs are being met.*

23. Section 743 of the FY2010 Consolidated Appropriations Act (P.L. 111-117) requires civilian agencies to prepare an annual inventory of their service contracts and to analyze the inventory to determine if the mix of federal employees and contractors is appropriate.

- a. Do you think that the service contract inventories are useful tools in determining whether contractors are being used appropriately and effectively?

*Service contract inventories can give agencies greater insight into the types of services and functions performed by contractors and provide a useful tool for implementing the principles in OFPP's policy letter and evaluating if contractors' skills are being utilized in an appropriate manner. In this regard, it was particularly helpful that OFPP asked agencies to give heightened attention in their analyses to "special interest functions" where the agency believes it is at greatest risk of being overly reliant on contractors.*

- b. OFPP guidance to civilian agencies for the FY2010 and FY2011 inventories allowed agencies to exclude data on the number of FTE and amounts invoiced for services even though section 743 provides that agencies should include the number and work location of contractor and subcontractor employees, as expressed in FTEs for direct labor. OFPP explained that this data is not currently available in the federal procurement data system (FPDS). What method do you recommend that agencies use to provide this information? Are there lessons that you would draw from the DOD's implementation of its service inventory requirement (10 U.S.C. § 2330a)?

*I am not sufficiently familiar with the details of law or policy guidance to speak to this issue. I do understand, however, that (1) the FAR Council is in the process of completing a rulemaking to address the collection of information on direct labor hours from contractors, and (2) the Army has extensive experience in using service contract inventories as a management tool. If confirmed, I would want to ensure that public and agency comment on the proposed FAR rule has been adequately addressed and that policies and practices going forward benefit from the insight gained by the Army.*

24. Section 736 of the Omnibus Appropriations Act, 2009 (P.L. 111-8), requires civilian agencies to devise and implement guidelines on insourcing to ensure that consideration is given to using, on a regular basis, federal employees to perform new functions and functions that are performed by contractors. Section 736 directs agencies to give “special consideration” to using federal employees under certain specific circumstances, such as when work is “closely associated with the performance of an inherently governmental function” or when a contractor has performed work poorly. While section 736 does not specify a role for OMB in the development of the insourcing guidelines, OMB issued a memorandum entitled “Managing the Multi-Sector Workforce” (M-09-26) on July 29, 2009, which, in part, provided criteria on how agencies can use insourcing as a tool for managing the multi-sector workforce.

- a. In reviewing agency implementation of the insourcing guidelines, GAO found that agencies faced a number of challenges in implementing section 736, including uncertainty over the terminology of the provision; confusion as to when a cost analysis is needed and the appropriate procedures to conduct such an analysis; difficulty in gathering certain data related to service contracts; and budget and resource constraints that make insourcing difficult.<sup>3</sup> In addition, a number of lawsuits have been filed to challenge specific insourcing decisions on the grounds that they have violated the Administrative Procedures Act. In light of these various difficulties, do you think it would be appropriate for OFPP to issue additional guidance on insourcing? What role do you envision for OFPP in overseeing implementation of agency insourcing efforts?

*If confirmed as Administrator, I would want to discuss GAO’s findings and conclusions with the agencies in light of their experiences to date to determine if additional guidance is necessary to help agencies strike the right balance between Federal employees and contractors. If confirmed, I will work with agencies to ensure they have the necessary guidance to help their workforce in making these decisions, and would also discuss with them about what other support would be helpful.*

- b. What is the role of cost and what cost elements are relevant in making insourcing decisions? Would relevant costs include costs to the agency and costs to the government overall (such as pension and healthcare costs)?

*An agency might base an insourcing decision on cost considerations if it is a situation where performance by either sector would be suitable. By contrast, cost would not be a driving factor to justify insourcing where work must be reserved for performance by Federal employees, such as where the work is inherently governmental or the work is critical and the government is at risk of losing control of its operations if the work is*

---

<sup>3</sup> GAO, *Civilian Agencies’ Development and Implementation of Insourcing Guidelines*, GAO-10-58R (Washington, D.C.: October 2009).

*performed by a contractor. I agree with the main principles set forth in OMB's 2009 guidance – namely, that a cost comparison should address the full costs of government and private sector performance and result in a “like comparison” of costs. Full costs should include benefits, such as pension and healthcare costs.*

- c. The Center for Strategic and International Studies (CSIS) issued a report in May 2011 entitled, “DoD Workforce Cost Realism Assessment.” The report examined DoD’s insourcing methodology and after finding gaps in this methodology proposed an alternative workforce cost methodology that emphasized the need for including fully burdened long-term costs of allocating work to the federal workforce when comparing costs between a contractor and federal workforce performing particular functions. What is your view of this proposed workforce cost methodology?

*If confirmed, I would study the report carefully, as well as the cost-comparison procedures that DOD has developed, and discuss CSIS’ conclusions and recommendations with officials at DOD that are familiar with DOD’s guidance. As noted above, a cost comparison should address the full costs of Government and private sector performance and result in a like comparison of costs.*

- d. What metrics do you think the Administration should use to measure the success of agency insourcing efforts?

*I believe insourcing is a management tool to help agencies strike a balance that best protects the public’s interest and serves the American people in a cost-effective manner. For this reason, I think the way to measure if an agency’s insourcing efforts have been successful is to evaluate if the agency has achieved a healthy balance in its government employee to contractor mix. This evaluation requires the shared input of the agency’s human capital, program, acquisition, and budget offices.*

- e. Some observers have asserted that insourcing efforts have disproportionately impacted small businesses. What considerations do you think agencies should give small businesses in implementing insourcing guidelines?

*While at SBA, I heard many concerns expressed by small businesses who felt they were bearing the brunt of insourcing actions. I believe the steps that are outlined in Policy Letter 11-01 should go a long way in addressing these concerns. First, the policy letter instructs agencies to place a lower priority on reviewing work performed by small businesses where the work is not inherently governmental and where continued contractor performance does not put the agency at risk of losing control of its mission or operations. Second, if an agency makes a management decision to insource work that is currently being performed by both small and large businesses, the policy letter calls on agencies to apply the “rule of two” to the work that will*

*continue to be performed by contractors. (The rule of two requires that acquisitions be set-aside for award to small businesses, or certain subsets of small businesses, if there are two or more responsible small businesses capable of performing the work at fair market prices.) If confirmed, I intend to work with SBA and the other agencies' small business advocates to discuss if this guidance is addressing the concerns raised by the small business community.*

25. In September, 2011, the Project on Government Oversight (POGO) released a study comparing total annual compensation for federal and private sector employees with contractor billing rates. Using data from the Office of Personnel Management, the Bureau of Labor Statistics, and the General Services Administration, POGO concluded that the federal government approves service contract billing rates that pay contractors 1.83 times more than the government pays federal employees in total compensation, and more than 2 times the total compensation paid in the private sector for comparable services.

- a. What do you plan to do to determine whether agencies are indeed paying more than they should for comparable work performed by federal employees?

*I know that the Departments of Defense and Homeland Security have developed guidance to compare the cost of contract performance to the cost of Federal employee performance to identify the most cost-effective source. If confirmed, I would work closely with these agencies to understand their experiences to date and use that to shape appropriate government-wide guidance built around the two main principles previously established by OMB, namely that comparisons must (1) address the full cost of government and private sector performance and (2) compare like costs.*

- b. What cost elements do you think are relevant in understanding whether contractors are paid "too much?"

*To understand the relative cost of contractors to government performance, the agency must compare the full costs of performance by both sectors. For the Government, this includes elements such as labor costs (salary and benefits), overhead, and material and supply costs. Contractor performance might be based on information such as current contracted costs, a contract offer, or historical prices paid. Costs must be evaluated in the context of a specific requirement or statement of work to allow for a full "apples to apples" comparison.*

- c. How would you respond to criticism that the report by POGO offers an apples to oranges comparison and fails to include long-term costs to the government?

*If confirmed, I would review POGO's report in greater detail; however, a simple comparison of labor costs, by itself, likely will not help an agency determine which sector will provide more cost-effective performance. The comparison of costs should take into account full costs, and be made in the context of a specific task so that there can be a like comparison against the same requirement. Looking at a specific task will help the agency consider other factors that may affect whether insourcing is likely to be a viable alternative, such as whether the requirements tend to be managed best through an employer-employee relationship, whether the agency has recent experience performing the work, and whether the requirement is addressing a long-term need. If the requirement is short-term in nature and the agency currently lacks in-house capacity to perform the work, it might be costly for the agency to address the need through long-term, in-house hiring.*

- d. The discussion of insourcing in OFPP's Policy Letter 11-01 of September 12, 2012 focuses primarily on situations where outsourced work is inherently governmental, or where the agency is at risk of losing control of its mission and operations. The Policy Letter acknowledges, though, that cost may also be a basis for insourcing and stated that "OFPP agrees that additional guidance in this area may be beneficial, and is reviewing the need for such guidance...." Do you intend to issue additional guidance related to comparing contractor costs to federal employee costs?

*If confirmed, I would work closely with agencies that have already developed agency-level guidance for conducting cost comparisons to understand their experiences to date and use that to shape appropriate government-wide guidance built around the two main principles previously established by OMB, namely that comparisons must (1) address the full cost of government and private sector performance and (2) compare like costs.*

- 26. Under OMB's Circular A-76, commercial-type functions are competed between public and private sources in a process commonly referred to as "competitive sourcing." Congress, though, has imposed a moratorium on the use of A-76 by both the DOD and civilian agencies.

- a. Under what circumstances do you think A-76 competitions should be allowed to resume?

*I am not sufficiently familiar with the details of the concerns that led to the moratorium on public-private competition to articulate specific conditions for lifting the moratorium. However, if confirmed, I would want to conduct outreach with Congress, GAO, agencies, industry, employee unions and any other stakeholders to understand the concerns that led to the moratorium and their thoughts on how to address these problems.*



- b. The Committee hears complaints from both federal employees and contractors about the fairness of the A-76 process. In addition, GAO has reported that cost estimates under A-76 reviews have not been reliable.<sup>4</sup> What reforms to the process do you think should be enacted?

*I am not sufficiently familiar with the details of complaints directed to the Committee or GAO's report to speak in specifics, but, as a general principle, I would want to ensure that any policies involving public-private competition create a level playing field that is fair to both sides. This includes costing principles that allow agencies to address the full cost of government and private sector performance and compare like costs.*

27. Increased reliance on contractors across the federal government has substantially raised the risks of both organizational and personal conflicts of interest. Do you have specific suggestions for improving agency methods for preventing and mitigating conflicts of interest?

*The integrity of the Federal acquisition process depends, in part, on the ability of agencies to identify and proactively address circumstances in which a government contractor may be unable to render impartial assistance or advice to the government, or might have an unfair competitive advantage. For this reason, I appreciate the importance that Congress and the Administration have placed on evaluating and improving conflict of interest rules – both for organizational and personal conflicts of interest – as these rules are necessary to help agencies in assessing and addressing these potential risks. I am not familiar with the details of the various ongoing actions to offer specific suggestions at this time. If confirmed, I will work with agencies and other interested stakeholders to ensure our policies and practices in this area are clear, reasonable, and effective.*

- a. On April 26, 2011, the FAR Council released a proposed rule on organizational conflicts of interest (OCI). The FAR Council specifically asked for public comment on the OCI framework in the April 26 proposed rule and the framework in a proposed DFARs rule (2009-D015). What is your view of the merits of these two frameworks?

*My understanding of the frameworks is that both are designed to provide a more defined set of tools than currently exists to effectively address risk and protect the taxpayers' interests. Given the increased potential for conflict of interests to arise as more of our contracted work involves services, I support efforts to bring greater clarity and give our workforce better tools for dealing with these situations when they arise.*

---

<sup>4</sup> GAO, *Better Cost Assessments and Departmentwide Performance Tracking Are Needed to Effectively Manage Competitive Sourcing Program*, GAO-09-14 (Washington, D.C.: November 2008).  
U.S. Senate Committee on Homeland Security and Governmental Affairs Pre-Hearing Questionnaire

- b. It has been almost a year since the proposed FAR rule was released and OCI guidance has largely been unchanged since 1984 (notwithstanding the proliferation of OCI case law). What do you plan to do to address the need for more guidance on OCIs given the significant changes in industry and increasing use of service contracts?

*If confirmed, as a first step, I will work closely with the FAR Council as they complete their deliberations and issue a final rule. I will also work with FAI and DAU to discuss the development and deployment of training to ensure the acquisition workforce has the training and background it needs to understand and take advantage of regulatory changes.*

### *Competition*

28. Over the past several years, a number of concerns have arisen pertaining to the adequacy of competition for government contracts.

- a. In your view, do we have enough robust competition in federal contracting?

*Competition is the cornerstone of our acquisition system. It is a critical tool for helping agencies achieve the best return for every taxpayer dollar and we must continually strive to maximize the effective use of competition. I have learned from my years at SBA building up small business participation in Federal contracting that the attainment of robust competition requires ongoing attention – including a strong understanding of the marketplace, outreach to potential sources, and sound application of good contracting practices. I commend the Administration for tracking agencies' use of competition and ensuring Federal contracting managers are properly focused on this issue. I am especially pleased to see the Administration shining a light not only on sole source contracting, where no competition is sought, but also on "one-bid" contracting, where competition is sought but only one bidder responds. Either situation carries the risk of overspending and deserves agencies' ongoing attention as stewards of the taxpayer.*

- b. If not, what steps would you take as Administrator to improve the level and effectiveness of competition?

*It is essential to continually review non-competitive and one-bid actions for any missed opportunities to generate marketplace interest in Federal work. This includes, for example, making sure that requirements are clear and shaped in ways that more closely reflect how work is performed commercially, and making sure*

*offerors have sufficient time to perform due diligence and develop competitive offers. If confirmed as Administrator, I will want to work with interested stakeholders to discuss current competition guidance, especially on the handling of competitions receiving only one bid, to determine what additional guidance might be beneficial to build on progress made to date.*

29. In recent years, GAO, the Commission on Wartime Contracting in Iraq and Afghanistan, and others have raised a concern over solicitations that receive only one bid. Even though these solicitations may have been conducted under “full and open” competitive procedures, they may nonetheless raise a concern about a lack of competition. What policies would you promote to evaluate circumstances that lead to only one offer and to increase the likelihood that multiple offers will be submitted?

*I commend the Administration, Congress, GAO, the Commission on Wartime Contracting, and others for their focus on reducing “one-bid” competitions. Competitions that yield only one offer deprive agencies of the full benefits of competition, including the ability to consider alternative solutions to meet the government’s needs. If confirmed, I will want to study this important matter more carefully in close consultation with CAOs, SPEs, and agency competition advocates for their views. That said, I would note from my days at SBA that a number of best practices for attracting small businesses to the Federal marketplace can also help to minimize one-bid competitions, such as:*

- *Encouraging long-time subcontractors—who in many cases are small businesses—to consider competing as prime contractors;*
- *Breaking out pieces of requirements that are most likely to attract additional bidders;*
- *Restructuring requirements in ways that more closely reflect how work is performed commercially; and*
- *Reaching out to vendors who expressed an interest in the procurement but did not submit offers to understand why they did not participate, and adjust the solicitation for the instant procurement, future procurements, or both.*

30. Under a “reverse auction” process, an agency identifies a need and holds an auction period – typically on-line – during which bidders have an opportunity to best competing offers. Data from several large agencies that have used reverse auctions suggest that they have saved 10% when using reverse auctions over traditional procurement methods. Recently, though, the Department of Veterans Affairs temporarily halted use of reverse auctions pending a review of whether they had been used appropriately. Do you think OFPP should issue guidance to agencies on proper use of reverse auctions, and the circumstances in which they are most likely to result in significant savings?

*While I am not familiar with the details of why the Department of Veterans Affairs temporarily halted its use of reverse auctions, as a general matter, I support agency efforts to continually evaluate their acquisition practices and make adjustments based on experience and best demonstrated practices. Reverse auctioning, like most acquisition authorities, is not one-size-fits all; rather it is a tool that is likely to work better in some situations than in others. If confirmed, I would want to confer with agencies, including those that have successfully used reverse auctions and those that may have experienced challenges, to evaluate if appropriate government-wide guidance would be helpful to better understand the circumstances in which this tool is most likely to generate savings.*

### *Strategic Sourcing*

31. Strategic sourcing has been a key initiative of OMB for many years. As stated in an OMB memorandum of May 20, 2005, strategic sourcing "...is the collaborative and structured process of critically analyzing an organization's spending and using this information to make business decisions about acquiring commodities and services more efficiently and efficiently." In 2010, GSA established a new office supplies sourcing initiative with 15 vendors, and is planning additional strategic sourcing initiatives, including one for wireless communications. In December 2011, GAO released a report<sup>5</sup> which assessed a 2010 GSA study on cost savings through the office supplies strategic sourcing initiative. GAO found that GSA's office supplies pricing study had limitations but the initiative showed potential for savings.
- a. What lessons do you draw from the office products initiative that could be applied to other strategic sourcing initiatives?

*The office supplies initiative is a positive example of how the government can leverage its purchasing power, reduce costs, and support small businesses. If confirmed, I look forward to working with GSA and other agencies to lead similar efforts in the future. I can draw on my previous experience as a consultant working on strategic sourcing efforts for large corporations to offer a number of common lessons learned:*

- *Organizational commitment to reducing duplication and saving money is critical, and the leadership must communicate this down the chain. Obtaining up-front commitments to use strategic sourcing solutions can help attract more aggressive responses from vendors.*
- *Working with industry during requirements development is important to getting the solicitation right. Promoting early and productive vendor communications*

---

<sup>5</sup> GAO, Office Supplies Pricing Study Had Limitations, but New Initiative Shows Potential for Savings, GAO -12-178 (Washington, D.C.: December 2011).  
U.S. Senate Committee on Homeland Security and Governmental Affairs Pre-Hearing Questionnaire

*will help ensure that needs is expressed appropriately and that the business strategy works for both sides.*

- *Collecting sales and usage information throughout the life of the contract is imperative in managing the commodity consumption, improving buyer behavior, and keeping an eye on prices.*
- b. What metrics should GSA employ to determine cost savings for strategic sourcing initiatives?

*Savings from strategic sourcing can come from a number of areas – reductions in unit prices, administrative cost avoidance, reduced demand, and other behavioral changes to buying and using goods and services. While baseline calculations can be complex and savings methodologies may vary depending on the commodity, the basic metric that GSA, or any other agency, should generally use to determine cost savings from strategic sourcing is the difference between what the agency paid using the strategic sourcing vehicle compared to what it would have paid if the strategic sourcing vehicle were not available.*

- c. Small businesses often express a concern that strategic sourcing will decrease their business opportunities with the government. Do you think there is an inherent tension between the government's goal of leveraging its buying power and its goal of increasing small business participation in the federal market? If so, how do you resolve that tension? By way of example, would encouraging small business teaming arrangements with office products BPA holders address this tension?

*From my experience at SBA, I know that this Administration is committed to increasing Federal contracting opportunities for small businesses. Additionally, in light of reduced budgets, agencies are looking for ways to reduce costs in order to meet their mission needs. Strategic sourcing can help agencies meet both of these goals. For example, I understand that all Federal Strategic Sourcing Initiative (FSSI) efforts prioritize small business participation and that since the office supplies strategic sourcing initiative was launched, 76% of the total spending through the strategic sourcing initiative has gone to small business vendors. Encouraging small businesses to team with existing office supply BPA holders could increase participation in the Federal market and provide small businesses with important strategic sourcing experience. If confirmed, I would continue to make small business considerations a priority for all FSSI and agency strategic sourcing initiatives to the maximum extent possible.*

- d. How would you assess whether agencies are effectively using strategic sourcing?

*I have led several strategic sourcing efforts in the private sector and know that effective strategic sourcing drives changes to buying behavior and improvements to demand management, in addition to getting price reductions based on volume. For example, strategic sourcing vehicles for delivery services should also provide sufficient usage data to show where organizations are over-reliant on overnight shipping so that new policies can be implemented to stop wasteful practices.*

*I understand that OFPP addresses strategic sourcing in their periodic Acquisition Status (AcqStat) meetings with agencies, and that agency senior leadership is often provided information about their organization's adoption of certain strategic sourcing vehicles, buying behavior, and other information. Additionally, I understand the CAOC Strategic Sourcing Working Group reviews agency FSSI usage and actively seeks new agency partners to join or lead similar initiatives.*

*If confirmed, I intend to make strategic sourcing and other buying smarter initiatives a top priority.*

#### *Procurement Regulations*

32. Beginning with major acquisition reform efforts in the 1990s, Congress and the Executive Branch have made a concerted effort to simplify procurement regulations and encourage agency officials to use more business judgment. However, some in the procurement community question whether the government has gone too far and has reduced accountability and transparency in federal contracting, while others believe even more flexibility is needed.

- a. In your view, where do we stand on that continuum?

*My overall sense is that the work currently being done within the Federal acquisition community is helping to maintain a reasonable balance between flexibility, accountability, and transparency, but there is work to be done on all three fronts. The community must continually monitor its practices to watch for imbalances and be prepared to act when an imbalance is identified. In many cases, the challenge may lie more in the management of a particular authority than in the authority itself.*

*For example, Congress took a number of actions in the 1990s to facilitate the more efficient use of competition by authorizing the award of indefinite-delivery indefinite-quantity contracts to multiple contractors who then compete with one another through streamlined competition for orders as needs arise. Over the years, numerous GAO and IG reports documented inconsistent and inadequate use of competition at the order level but still recognized the efficiencies that multiple award contracts offer agencies when used properly. Efforts in recent years to strengthen competition rules – including greater transparency in reporting noncompetitive awards -- should help ensure that agencies continue to enjoy the benefits of*

*streamlining and taxpayers reap the benefits of more accountable and fiscally responsible decision-making.*

- b. What direction do we need to move toward?

*We should build on the successes we have had in streamlining the acquisition process while being careful to ensure that the principles of competition and transparency remain a high priority. With respect to transparency, in particular, I am pleased by the efforts OFPP has taken in recent years to establish processes for regular agency data validation. We must maintain this focus on improved data to drive better data transparency and support better decision making. In addition, we need to keep a watchful eye for areas where rules or practices are not achieving their intended purpose. For example, we must redouble our efforts to ensure that meaningful past performance information is being documented and shared so that the intended benefit of motivating and rewarding good performance is fully realized.*

*Similarly, we must make sure agencies have effective suspension and debarment programs so they have the ability to consider use of these tools when necessary to protect the government's interests.*

*We must be more mindful of the overall complexity of the acquisition system, and of the burdens and associated costs that such complexity places on our contracting officers and our contractors, then work to implement opportunities to reduce that complexity. One way to do this is by encouraging greater use of interagency acquisitions to reduce duplicative contracting. Another is by taking greater advantage of new and developing technologies that allow us to further streamline and modernize our procurement system as well as improve access to and integrity of procurement data.*

- c. What role would OFPP take in this regard if you are confirmed?

*OFPP plays a key role in all of these efforts and, if confirmed, I would be excited to lead it in that role.*

33. The rule-making process for procurement regulations can take years to implement laws passed by Congress. If confirmed, what will you do in your role as OFPP Administrator to manage the rule-making process to ensure rules are drafted, developed, and vetted in a timely manner?

*Clear, effective, and timely promulgated rules are an important component of our procurement system. It is my understanding that the FAR Council conducted a comprehensive review of its rulemaking process last year and made a number of changes as a result of this review to improve its processes. I am not familiar with all the details, but I understand improvements included an increase in the number of FAR drafting teams*

*and clarification of the roles and responsibilities of case managers and chairs of the FAR Teams. If confirmed, as FAR Council chair, I plan to review progress on the implementation of the new improvements and to build on these improvements, such as by making sure that there is sufficient agency support for each of the FAR drafting teams.*

### *Contingency Contracts*

34. Last year the Commission on Wartime Contracting in Iraq and Afghanistan offered a number of recommendations intended to reduce contracting waste, fraud and abuse in contingency situations.

- a. What are your observations on the Commission's recommendations?

*The Commission focused on a number of issues that are critical to reducing fraud, waste, and abuse, such as expanding competition, improving the use of contractor performance data, and strengthening the suspension and debarment process. These have appropriately been focus areas for OFPP in recent years and would continue to be given priority attention if I am confirmed as Administrator.*

- b. What should be the role of the OFPP Administrator in responding to the Commission's recommendations?

*If confirmed as Administrator, I would want to work closely with the Chief Acquisition Officers, Senior Procurement Executives, and other interested stakeholders (such as the agency suspension and debarment officials on the recommendations regarding suspension and debarment) at agencies that have had significant responsibilities for contingency contracting in Iraq and Afghanistan, including the Departments of Defense and State and the United States Agency for International Development, to understand their perspectives on the contracting recommendations and the opportunities they provide for improvement. As noted above, the overarching acquisition issues are ones that I have significant interest in, and I would expect to give appropriate attention to each of these general issue areas.*

### *Suspension and Debarment*

35. Suspension and debarment procedures are powerful tools for protecting the interests of the government. However, agencies often fail to use these tools effectively. For example, GAO reported to the Committee that over the period of FY2006 through FY2010, almost 70% of agencies had 20 or fewer suspensions or debarments. Over that same period, the Departments of Health and Human Services, Commerce, Labor, Education, and Housing and Urban Development, as well as the Federal Emergency Management Agency, had taken no suspension or debarment actions. Other agencies, including the Air Force and the Department of Interior, have robust suspension and debarment practices.



- a. In your opinion, why are some agencies reluctant to suspend or debar contractors who have performed poorly or have engaged in fraud or other activity that puts the government at risk?

*I believe GAO's conclusions and OMB's guidance from last fall explain the problem well: a number of agencies have failed to maintain the basic program capabilities required to suspend or debar non-responsible contractors and grantees. These capabilities include dedicated staff resources and effective internal policies to ensure suspension and debarment are being considered and used effectively, whenever appropriate, to protect the Government's interests.*

*While I was at SBA, I was able to see first-hand how these capabilities can make a tremendous difference between a program that is ineffective and one that is effective. Over the last several years, SBA has devoted greater staff resources and employee training to enable the consideration and use of suspension and debarment when necessary. This ability has helped SBA to better protect its small business programs from waste, fraud, and abuse, and sent a strong and important message that SBA is committed to removing bad actors from its small business programs so that the benefits of these programs go to the intended communities.*

- b. Is the fact that agencies do not consider using the suspension and debarment toolbox more often attributable to a lack of training and/or resources?

*I have not studied this issue closely enough across the Government to answer with certainty, but my general understanding is that both of these factors as well as others (e.g., lack of internal policies) may contribute to whether or not an agency adequately considers suspension and debarment. At SBA, greater staff resources and employee training both contributed to strengthening the suspension and debarment function.*

- c. Do you think current suspension and debarment rules are adequate, or would you recommend regulatory or legislative changes to increase their effectiveness?

*Based on my experience at SBA, I believe the basic policies laid out in the Federal Acquisition Regulation (FAR) governing suspension and debarment are sound. These policies appropriately vest agencies with the discretion to decide if suspension and debarment are necessary and appropriate and allow the agency's suspending and debarring official to consider mitigating circumstances. This encourages contractors to change their business processes to prevent future misconduct. The FAR also provides for administrative due process – that is, notice and an opportunity to respond – which promotes fairness in the acquisition system. If confirmed as Administrator, I will work closely with the Interagency Suspension and Debarment Committee (ISDC) to discuss agency experiences and whether any statutory or*

*regulatory changes might help to further strengthen these important tools.*

- d. Are there procedural barriers that can be lowered or incentives that might be put in place to encourage agencies to more often consider the suspension and debarment toolbox?

*While I am always open to new ideas and plan to keep a watchful eye on policies and procedures in this area if confirmed, my sense is that the basic regulatory structure is sound. Ensuring meaningful consideration of suspension and debarment is, at root, a management challenge. As OMB's guidance appropriately states, agencies must make sure they have taken the basic steps required to have a viable program (e.g., accountable official, appropriate resources, internal procedures, adequate training, etc.) and actively participate on the ISDC, which provides an important inter-agency support structure.*

- e. What role should the Administrator of OFPP play in encouraging appropriate use of suspensions and debarments?

*I think the messages and actions identified in OMB's November 15, 2011 memorandum are illustrative of the role OFPP should play. In particular, OFPP should (1) reinforce the importance of the suspension and debarment remedy, (2) make sure underlying Government wide policies and regulations are clear, (3) work with agencies and the Resource Management Offices within OMB to ensure accountable officials are in place to build and/or maintain an effective program that can protect the Government's interests, and (4) provide the Interagency Suspension and Debarment Committee (ISDC), with the backing it needs to serve as a support structure to help agencies implement their debarment and suspension programs. If confirmed as Administrator, I will undertake these efforts in partnership with OMB's Office of Federal Financial Management, which oversees policies associated with the suspension and debarment of grantees.*

- f. How do you recommend improving the communications between agency Suspension and Debarment Officers and Inspector Generals?

*If confirmed, I intend to discuss the matter of improved communications with the ISDC and the Council of the Inspectors General on Integrity and Efficiency (CIGIE). At SBA, the Office of Inspector General plays a critical role in the recently strengthened suspension and debarment process and active communication between the OIG and the Suspending and Debarment Official has been key to the effective consideration of these tools. While I am not familiar with the details, I understand that CIGIE's Suspension and Debarment Working Group issued a report last fall to raise the profile of these tools. If confirmed, I plan to discuss the report's*

*recommendations with the ISDC and the CIGIE Working Group.*

36. The Interagency Suspension and Debarment Committee (ISDC), created by Executive Order in 1986, is responsible for Government wide suspension and debarment oversight. Section 873 of the Duncan Hunter National Defense Authorization Act of 2009 (P.L. 110-417) specified a number of functions for the ISDC to perform: resolving lead agency responsibility among interested agencies in suspension and debarment proceedings; reporting to Congress annually on suspension and debarment activities; recommending changes to suspension and debarment rules and procedures; and encouraging and assisting agencies in achieving operational efficiencies in the Government wide suspension and debarment system. In its recent report, GAO found that the ISDC is hampered in its mission due to its reliance on agencies' participation and resources. For example, in part because it cannot compel other agencies to respond to its requests, the ISDC took almost two years to submit its first required annual report to Congress. What would you do to encourage greater agency participation in the ISDC?

*If confirmed as Administrator, I would make sure OFPP works closely with the Chair and Vice Chair of the ISDC to support their activities and make clear to agencies that active participation in the ISDC is an OFPP priority. I understand that most, if not all, CFO-Act agencies are now participating on the ISDC and the ISDC has created new subcommittees – including one to look at how training can be improved and one to improve the tracking and reporting of suspension and debarment activities to the Hill. I think these are steps in the right direction and if confirmed, I would continue to build on and reinforce this positive momentum.*

37. On November 15, 2011, then OMB Director Lew issued a memorandum to the heads of executive departments and agencies directing them to take a number of specific steps to ensure the adequacy of suspension and debarment programs, including the appointment of a senior accountable official at each department and agency who would be responsible for reviewing suspension and debarment programs, maintaining effective internal controls and ensuring participation in the ISDC. The memorandum further directs the heads of departments and agencies to ensure that suspension and debarment is used to protect the Government's interests, to ensure that procedures are in place to prevent awards from being made to suspended or debarred parties, and to take prompt corrective action if an award is made to a suspended or debarred party. What are your plans for following up to ensure that agencies have implemented the directives of this memorandum, and how will you measure how well agencies are complying with these directives?

*I understand the ISDC, as part of its reporting responsibilities, has requested information from agencies so that it can gauge where agencies are in implementing the requirements of OMB's memorandum. If confirmed as Administrator, I would want to review these responses and reach out to agencies whose responses do not indicate that action has been, or is being, taken. I would also want to discuss with agency Chief Acquisition Officers and Senior Procurement Executives and Suspending and Debarment Officials*

*how best to measure progress and whether there are opportunities to further strengthen the ties between these functions.*

#### *Purchase Cards*

38. Use of government purchase cards for procurement purposes has increased dramatically over the last several years. In August 2005, OMB issued Annex B to OMB Circular A-123 to require agencies to maintain internal controls that reduce the risk of fraud, waste, and error in the government charge card programs. Yet GAO audits of purchase card controls continue to identify ineffective management oversight and weak internal controls over purchase cards, leaving agencies vulnerable to fraudulent, improper, and abusive purchase card activity. In response to these findings, S. 300, the Government Charge Card Abuse Prevention Act of 2011, which was passed by the Senate on July 22, 2011, proposes additional safeguards to prevent misuse of purchase cards. What additional measures do you believe OFPP should take to prevent the misuse of purchase cards?

*Ensuring that agencies have strong internal controls over their purchase card programs is critical to effectively managing the use of this important tool. I understand that OFPP works closely with OMB's Office of Federal Financial Management to provide direction and guidance to both the financial management and acquisition community. If confirmed, I would work with the Controller to explore additional measures that could be taken to prevent the misuse of purchase cards, such as promoting greater communication and collaboration, to the extent needed, between agency Chief Financial Officers and Chief Acquisition Officers to improve agency programs.*

#### *Integrated Acquisition Environment – System for Award Management*

39. On March 15<sup>th</sup>, GAO issued a report<sup>6</sup> calling for a reassessment of the General Service Administration's (GSA) efforts to consolidate numerous disparate acquisition and procurement databases into a single System for Award Management (SAM). The report finds that while there has been progress and the first phase is scheduled for completion in May 2012, the operational costs have increased while budget constraints have caused a shortage in funding, delaying the development schedule. While this is a GSA program, the systems it seeks to consolidate are crucial to governmentwide acquisition management. What role, if any, should the OFPP Administrator play in making sure the consolidation effort remains on track?

*The modernization of our acquisition systems is absolutely critical to ensuring that 1) contracting officers and other acquisition officials have the information they need to make effective award decisions, and 2) the public has access to information about how their taxpayer dollars are being spent. I understand that the Chief Acquisition Officers*

---

<sup>6</sup> GAO, *Effort to Consolidate Governmentwide Acquisition Data Systems Should Be Reassessed*, GAO-12-429 (Washington, D.C.: March 2012).

*Council (CAOC) and its Acquisition Committee for E-Government (ACE) play key roles in supporting GSA as they make important changes to these systems. If confirmed, I intend to continue working very closely with the CAOC, the ACE, and GSA to make sure these modernization efforts are on track to provide the community the information and data they need. Due to the urgent need for improvements to these systems, I would make this effort a high priority.*

#### *Small Business Contracting*

40. While numerous government agencies in 2010 met their agreed upon small business contracting goals, the government as a whole again fell short of their goal of giving 23% of prime contract dollars to small businesses.

- a. Do you feel that the 23% goal is appropriate?

*I believe that any goal or metric should be determined using a data-driven, fact-based approach. Given that the Government has made significant progress towards achieving the 23% small business goal, but has not consistently exceeded this threshold, it is likely about right. Whatever the quantified goal, we must strive to maximize the utilization of small business contractors. I would not view 23% as a ceiling, but rather as a floor for excellent utilization of small business contractors.*

*It is also important to note that one size does not fit all when it comes to small business goal setting. Each agency has a different level of maximum practicable utilization based on its individual agency spend base. While working as the Associate Administrator for Government Contracting and Business Development at the Small Business Administration (SBA), we took an analytical approach and completed an extensive spend analysis in order to determine each Agency's small business contracting goals. I would think that any Government wide goal should use a similar approach.*

- b. In your view, why does the government consistently fail to meet this mark?

*Reasons for not attaining the small business Government wide contracting goals are complex. Agencies must worry about meeting their mission in a timely fashion while considering socio-economic goals, attaining savings, and reducing risk with a strained workforce in need of resources. At SBA, we worked very hard to address both the supply and demand sides of this equation and I would plan to continue this effort at OFPP, if confirmed.*

- c. What would you recommend the government do to increase small business participation?

*As a first step, if confirmed, I will work closely with SBA and members of the Federal Acquisition Regulatory Council to complete implementation of the acquisition-related provisions of the Small Business Jobs Act. These provisions address a number of key areas where utilization of small business contractors can be significantly increased. For example, one provision addresses the practice of reserving awards and setting aside orders in connection with multiple award contracts. Significant opportunities exist to increase small business participation on these vehicles and clear guidance to the field on the use of set-asides – the most powerful small business contracting tool – and reserves is critical to unlocking these opportunities. Implementation of other provisions of the Small Business Jobs Act, such as those strengthening requirements in connection with the use of small businesses as subcontractors, and those requiring guidance on contract consolidation, will further expand opportunities for small businesses in the Federal marketplace.*

*During my tenure at SBA, I worked to develop a close partnership with OFPP and the acquisition community – which included the first joint session of the Chief Acquisition Officers Council and the Small Business Procurement Advisory Committee. If confirmed, I intend to further strengthen this collaboration as it provides a critical foundation for the types of operational activities that are most conducive to building the small business contracting base – including outreach, training (both for the acquisition workforce and contractors), and improved access to information.*

41. GAO has issued a number of reports which focus on fraud in small business contracting programs. These reports have cited the need for better controls in almost all small business contracting programs, including the 8(a), Service-Disabled Veteran-Owned Small Business Program and HUBZone Program. What needs to be done to ensure that contracts intended for certain subsets of small businesses are not awarded to those who do not qualify?

*It is a top priority to ensure that the benefits of the small business socio-economic contracting programs flow to the intended recipients. Fraud, waste and abuse will not be tolerated.*

*While I was the Associate Administrator for Government Contracting at the Small Business Administration (SBA), SBA implemented a comprehensive three-pronged strategy to identify, prevent, and pursue non-compliance or fraud across all Government contracting programs: effective certification processes, continued surveillance and monitoring, and robust and timely enforcement. The first prong is designed to ensure there are effective certification processes that provide clear and comprehensive eligibility screening on the front-end to make sure only qualified, eligible firms participate in these programs. The second prong of the strategy is conducting continued surveillance and monitoring once a firm is in one of these programs. Only those firms entitled to benefit from SBA's programs should remain in them. The last prong of the strategy is taking robust and timely enforcement on any non-compliant or fraudulent firms. SBA's*

*programs must be reserved for those who are – and who remain – eligible. There are a range of enforcement tools to use when a firm is identified as ineligible to participate in these programs.*

*During my time at SBA, over 4,000 firms were removed from the HUBZone program, over 1,000 firms from the 8(a) program, and over 50 firms from the SDVOSB program. During that time, SBA also suspended or proposed for debarment over 20 firms and individuals involved in procurement misconduct.*

*If confirmed, I will continue to support SBA in its efforts to prevent fraud, waste, and abuse.*

### *Chief Acquisition Officers*

42. The Services Acquisition Reform Act of 2003 (SARA) created the position of a Chief Acquisition Officer (CAO) in 16 of the 24 Chief Financial Officer Act agencies to advise and assist the agency head to ensure that the agency's mission is achieved through the management of its acquisition activities. If confirmed, what would you do to support the CAO role and ensure this position is being filled and has acquisition management as their primary duty?

*Agency Chief Acquisition Officers (CAOs) and Senior Procurement Executives (SPEs) play critical and unique roles in improving acquisition management, and I understand that OFPP works closely with these leaders as they develop policy, implement management initiatives, and track progress on important goals. As policy officials, CAOs can promote better integration and elevation of the acquisition function in the agency's management structure and better communication among senior management leaders, such as CFOs and CIOs. SPEs generally provide the daily, tactical management of acquisitions and can provide OFPP useful feedback on how proposed policies might affect their operations and how current initiatives could be improved. CAOs and SPEs provide invaluable feedback and, if confirmed, I would leverage my leadership position on the CAO Council to support these senior leaders and ensure that acquisition management is a priority for all agencies.*

### *Information Technology Supply Chain Security*

43. GAO recently released a report entitled, "National Security-Related Agencies Need to Better Address Risks."<sup>7</sup> GAO found "reliance on a global supply chain introduces multiple risks to federal information systems" that may be exploited by multiple actors at various points in the supply chain.

---

<sup>7</sup> GAO, *National Security-Related Agencies Need to Better Address Risks*, GAO-12-361 (Washington, D.C.: March 2012).  
U.S. Senate Committee on Homeland Security and Governmental Affairs Pre-Hearing Questionnaire

- a. If confirmed, how would you as OFPP Administrator address the IT supply chain security risks in federal procurement?

*If confirmed, I would want to study the GAO report it more carefully. However, I recognize that as the complexity of products increases, the supply chain necessary to support those products also increases, often exponentially. We must address not only security risks, but also the possibility of counterfeit or other falsely-identified and substandard parts finding their way into the supply chain. Since implementing additional measures to track or monitor supply lines will necessarily increase costs, I think it is important that efforts in this area be risk-based – focusing our resources on areas most susceptible to risk, and where the most harm would be done. Additionally, this is an area where working with vendors and other stakeholders is essential.*

- b. What is the role of the OFPP Administrator in addressing this complex problem?

*As in many areas, the role of the OFPP Administrator is to lead meaningful change and to ensure meaningful input from stakeholders, both within and outside Government, all of whom play a role in protecting the supply lines that support Government programs. Independent of the Government's interest in managing and mitigating this risk, contractors will have a strong incentive to root out threats to their own supply chains, which is why their input and our working together with them may be especially helpful in crafting policies and practices that effectively address the challenges in this area.*

- c. How does the federal government best leverage the buying power of the federal government to address this problem?

*This is an issue that I will need to study more carefully, if confirmed. As a general matter, I believe that our vendors share our concern about the safety and security of their supply chains, and will be eager to work with us. While I intend to approach this with an open mind and consider all sides, my initial sense is that unilateral Government action could leave us with more expensive, less effective solutions, so we must find a way to effectively engage our stakeholders in coming up with cost-effective solutions. In addition, we must ensure that processes and incentives are appropriately aligned; for instance, a requirement to report supply chain risks will be less effective if companies are more concerned about the consequences of that report, in terms of how they will be treated by the Government, than they are on addressing the underlying issue.*

#### **IV. Relations with Congress**



44. Do you agree without reservation to respond to any reasonable summons to appear and testify before any duly constituted committee of the Congress if you are confirmed?

Yes.

45. Do you agree without reservation to reply to any reasonable request for information from any duly constituted committee of the Congress if you are confirmed?

Yes.

#### V. Assistance

Are these answers your own? Have you consulted with OMB or any interested parties? If so, please indicate which entities.

*Although I have consulted with OMB for advice and to ensure that my answers were factually-accurate, the answers here set out my views and I take sole responsibility for them.*

#### **AFFIDAVIT**

I, JOSEPH G. JORDAN, being duly sworn, hereby state that I have read and signed the foregoing Statement on Pre-hearing Questions and that the information provided therein is, to the best of my knowledge, current, accurate, and complete.

JS

Subscribed and sworn before me this 10<sup>th</sup> day of April, 2012.

Lorraine D. Hunt

Notary Public

LORRAINE D. HUNT  
Notary Public of District of Columbia  
My Commission Expires March 14, 2016

