Moving Forward: One Agency’s Quest to Make Employee Relocations More Efficient and Predictable
By Michael Sciortino; Sheree Ross; Jennie Melchior; Anna Lavis; and Vanessa Raba

Relocations are typically tough on employees and the staff members tasked with administering the permanent change of station (PCS) process. Examine lessons learned in one agency’s quest to implement a new method for handling relocation expenses and consider its viability for other organizations.

Impact Reporting: The Next Frontier in Government Accountability
By Andrew E. Lewis, CGFM, CPA, CIPP/G, PMP; and Jeffrey C. Steinhoff, CGFM, CPA, CFE, CGMA

The landmark CFO Act ushered in dramatic improvements in federal financial management. Yet federal financial data — whether in financial reports or on transparency websites — is largely untapped in its potential for use by internal and external stakeholders. The solution is a shift to impact reporting.

No Budget Left Behind: How Collaborative Acquisition Planning, Better Visibility and the Right Technology Can Beat the End-of-Year Blitz
By Tom Coleman; Robert Silverman; and Scott Inderbitzen

The end-of-year spending blitz in government agencies generates challenges for financial managers plus high costs to taxpayers. Through collaborative acquisition planning and spend management, integration and visibility, government could overcome the problem.
New Strategies and Techniques to Preserve State and Local Government Retirement Funds
By Craig Foltin, DBA, CGFM, CPA; Dale L. Flesher, Ph.D., CGFM, CPA; Gary J. Previts, Ph.D., CPA; and Mary S. Stone, Ph.D., CPA
State and local government pension deficits continue to rise, and the new federal calculation motivated by GASB 67 nearly doubles the underfunded amount. Bringing pension funds into a secure position will drastically impact public services nationwide. AGA must take the lead in developing strategies to help policymakers make better decisions.

Robotic Process Automation and the Government Audit
By Isa I. Farhat, CPA
Government agencies, increasingly reliant upon technology such as robotic process automation (RPA), generate prodigious amounts of data, both structured and unstructured, at an unprecedented rate, creating usability problems from trying to store and manage it all. As interest in RPA intensifies, specific audit and governance considerations must be addressed to meet data management goals, improve mission-critical operations by increasing throughput and achieve process efficiencies.

Building Momentum: Preparing for XBRL in Government
By Jacqueline Reck, Ph.D., CPA; Shannon N. Sohl, Ph.D., CPA; and Tammy R. Waymire, Ph.D., CPA
XBRL, or eXensible Business Reporting Language, which provides advanced search capabilities with data-tagging, offers greater transparency and efficiency in government financial reporting. With recent legislation in Florida requiring its implementation in local governments plus other states contemplating similar legislation, now is the time to leverage XBRL.
No Budget Left Behind

How Collaborative Acquisition Planning, Better Visibility, and the Right Technology Can Beat the End-of-Year Blitz

By Tom Coleman; Robert Silverman; and Scott Inderbitzen

Each year, federal agencies obligate as much as 15 percent of their contracting actions in the last month of the fiscal year, with six to eight percent occurring in the final week. This results in an increase in workload of nearly twice the monthly average in September and more than four times the weekly average during the final week of the fiscal year (Figure 1). Budget, procurement and program professionals are all impacted by this strain on resources and the inefficient outcomes that result from hectic year-end processing. Federal agencies often struggle through fourth quarter logjams of overdue acquisitions that can result in rushed procurements, acquisition of lower-quality resources, circumvention of competition requirements, mistakes and expiration of budgeted funds. Current acquisition and spend planning approaches and tools fall short of achieving optimal results. The impact of this failed opportunity is great, yet government agencies can overcome these challenges through more effective collaboration, better visibility and the use of emerging technology.

The Common Problem of Year-End Chaos and Regret

The federal government’s current approach to acquisitions planning and execution suffers from a lack of end-to-end process visibility and insufficient stakeholder collaboration. This leads to a failure to maximize the impact of appropriated funds. The planning process, which should be treated as a team sport, ends up more like a blind relay, where no one is quite sure where the baton is or when it will be passed. The result is a year-end scramble that can lead to losses for the agency:

- **Loss of Competition:** Fair competition in federal contracting reduces the price the government pays for goods and services and results in better solutions for the taxpayer. Shortened timelines triggered by planning failures often lead to cutting corners on market research, solicitation development and evaluation activities that maximize competition. The Government Accountability Office (GAO) cited the inability of procurement functions to achieve visibility and timely notice of program office requirements as a leading barrier to
A Team Sport?
Acquisition is a “team sport” that all-too-often ends up more like a blind relay.

The life cycle of a procurement begins long before an organization starts developing the solicitation. Budget formulation, operating/spend plan development, and acquisition planning are driven by program and finance office processes, while acquisition execution is driven by procurement office processes. These processes are typically independent of one another. The segregation of responsibilities often results in each office performing their tasks without the big-picture visibility needed to achieve a seamless acquisition process. Increased workload, increased overall cost of procurement, and insufficient support and technology for cross-functional planning.

Greek philosopher Heraclitus offered that “change is the only constant.” Continuing resolutions have become a fact of life. The federal government has operated under them in each of the past 15 fiscal years, with total days under continuing resolutions exceeding 90 days in most cases. Although continuing resolutions and the uncertainty of not having an approved budget make acquisition planning ineffective and ensure the end-of-year blitz is unavoidable, this ambiguity makes acquisition planning even more important, particularly when scenario-based planning is incorporated.

Uncertainty from Continuing Resolutions

Fragmented Processes

The life cycle of a procurement begins long before an organization starts developing the solicitation. Budget formulation, operating/spend plan development, and acquisition planning are driven by program and finance office processes, while acquisition execution is driven by procurement office processes. These processes are typically independent of one another. The segregation of responsibilities often results in each office performing their tasks without the big-picture visibility needed to achieve a seamless acquisition process. Increased workload, increased overall cost of procurement, and insufficient support and technology for cross-functional planning.

Loss of Quality: The expiration of funds deadline can force rushed decisions and less thorough procurements. In addition to inhibiting competition, insufficiently planned procurements can condense the time allotted for vendor proposals, technical evaluations or negotiation. A 2017 study of more than 650 major IT procurements found spending that occurred in the last week of a fiscal year is 2.3 to 5.6 times more likely to be of lower quality (cost and/or schedule overruns). For context, that amount could finance the State of Delaware for an entire year. In an environment where the availability of financial and human resources is scarce for federal agencies, this amount represents a huge lost opportunity to meet mission objectives. When added to the high percentage of rushed actions that result in poor quality procurements, the lost opportunity becomes immense.

Loss of Critical Resources: At the end of the 2018 fiscal year, agencies collectively reported a balance exceeding $4.7 billion dollars in unobligated funds subject to expiration. For context, that amount could finance the State of Delaware for an entire year. In an environment where the availability of financial and human resources is scarce for federal agencies, this amount represents a huge lost opportunity to meet mission objectives. When added to the high percentage of rushed actions that result in poor quality procurements, the lost opportunity becomes immense.

Loss of Efficiencies: The mad rush to complete procurements in the final months and weeks can strain the acquisition workforce, resulting in challenges to morale, productivity and work-life balance. Many agencies resort to hiring contractor support to help with the dramatically increased workload, increasing the overall cost of procurement.

End-of-year challenges are merely one symptom of the problem. Other signs include missed quarterly spending targets, misunderstood dependencies between individual actions on other related acquisitions or programs, continuous reentry of the same information into disparate “systems,” and procurement surprises in the form of incomplete acquisition packages or delayed option year renewals. The effects of improper planning are felt by budget, procurement and program offices year after year, evidence that the acquisitions and spend planning process is broken. Ending this cycle requires consideration and confrontation of the underlying causes of the year-end logjam.

Underlying Causes

Insufficient planning and rushed acquisition execution in government results from several challenges common across agencies: uncertainty from continuing resolutions, structural fragmentation of the procurement process, and insufficient support and technology for cross-functional planning.

Not Just for Feds

This article focuses on spend planning and procurement within the federal government. However, 49 of the 50 states have balanced budget amendments, which require state budget and procurement personnel to constantly monitor, plan and shift expenditures between quarters. The principles addressed within are as much, if not more applicable to managing the constant demands of complying with state balanced budget mandates.
to understand end-to-end agency processes. When the important work of acquisition planning and execution occurs without sufficient communication and collaboration, the result can be delays, mismatched expectations and needless rework.

**Fragmented Systems**

When process and organizational fragmentation occurs, disjointed supporting technology may exacerbate the problem. In most agencies, the acquisition pipeline flows through multiple, disconnected systems (e.g., budget formulation, budget execution, financial and procurement systems) and tools (e.g., spreadsheets, SharePoint, Word documents, emails). This causes considerable gaps in information, duplication of effort, out-of-sync information, and lack of end-to-end visibility.

**Fragmented Visibility**

Fragmentation often results in limited visibility across the project lifecycle. While many agencies create cross-functional teams for large, individual procurements, they do not extend this practice to their overall planning approach. The result is the lack of a single, unified view of the procurement pipeline among stakeholders and a breakdown in the coordination necessary to conduct effective procurement and spend planning. The issue impacts each of the stakeholders, as depicted in Figure 2. Procurement offices have limited visibility of the status of expected inbound procurements; buying organizations have limited visibility of what happens once an acquisition goes to procurement; and budget organizations have limited visibility of the status of acquisitions and their impact on monthly and quarterly operating plans.

**Insufficient Support and Technology for Cross-Functional Acquisitions Planning**

Many agencies have systems in place to support budgeting, financial management and procurement execution. However, acquisition planning remains a domain supported by spreadsheets and document repositories, with limited integration. Spreadsheets may be a good tool for initial planning, but they are inefficient in plan management. While convenient and ubiquitous, spreadsheets are limited where plan integration, multi-user update, version control and change tracking is required. Acquisition planning is too important a process not to be supported by robust technology; and the lack of that technology creates a huge gap in knowledge, data and processes that no modern enterprise should accept.

**A Better Way — Finding a Solution**

A robust solution is required to achieve better spend planning and program-level procurement outcomes. It will include tools and techniques that bridge gaps between segmented processes, individual stakeholders and isolated systems. It can be achieved through end-to-end process visibility within agencies, improved ability of staff and organizational components to collaborate, and the use of technology to leverage systems that promote transparency and accelerate processes for all stakeholders.

**Pass the Spreadsheet**

One of the most common symptoms of procurement problems in agencies is the episodic, manual update of the procurement status list, requiring calls for updates and the ceremonial “walking-around-of-the-spreadsheet” to create a cobbled-together list.
1. Bridge the Gap: Provide a Single, Unified Information Source with End-to-End Visibility

Breaking down information silos and combining data into a single, unified information source will allow individual stakeholders to understand the entire procurement process and how their work impacts those outside their immediate organizations. The resulting end-to-end process visibility bridges the gap between stakeholders, allowing them to work better together and work collaboratively to perform the necessary planning and periodic adjustments that will result in better purchasing outcomes.

Visibility across multiple dimensions is needed:

- **Across stakeholders**, including budget, financial, procurement, buying program, administrative organizations and agency executive management.
- **Across processes and stages**, providing transparency for acquisition status from requirement through planning, to execution and management.
- **Across systems**, including budget formulation, budget execution, acquisition planning, and procurement execution systems and tools.

One technology that can provide visibility across all stages, organizations and systems is dashboarding, seen in Figure 3.

2. Improve Collaboration

While barriers to collaboration can be challenging, two primary recommendations can considerably improve acquisition planning collaboration: a) improve the way segregated teams communicate; and b) provide a common playbook.

Although project teammates may still be segregated by geography, agency or organization, improved collaboration is still possible. Recognizing the value of integrated project teams on high-impact IT procurements, GAO advocates for the use of video conferencing, collaborative workspaces (such as SharePoint and live messaging) as near-substitutes for the face-to-face interactions that lead to early issue identification and improved decision-making.7

Similarly, moving beyond the impersonal email-only approach to greater interaction will enhance acquisition stakeholder engagement and their understanding of each other’s needs. The value of interactions can be magnified when they are tracked and associated with respective records on a common acquisition planning platform.

Few government functions are as complex as federal budget and procurement. Each has its respective laws and jargon for which the uninitiated have limited appetite or understanding.8 Program and administrative office representatives have less structured guidance, and their experience is limited by lack of repetition. While procurement professionals may manage 10 or more actions per month, most program or administrative representatives deal with a handful of actions episodically. Agencies should collaborate across budget, procurement and program offices to create a common platform, or playbook, of jointly-developed procedures, documented with accessible terminology. Such an approach can help bring stakeholders together through:

- Communication of standard processes, terminology and expectations;
- Formal cross-training;
- Informal training (e.g., lunch and learns, videos);
- Easy access to best practices, templates and examples;
- Formal certification programs, such as CGFM or FAC-P/PM.

One commonly cited source of acquisition delays arises when procurement offices reject and return incomplete or incorrect procurement packages. The availability of common templates, checklists and clear guidance for planners can align expectations and help avoid such delays. Only when each of the stakeholders possesses a common understanding of the rules, terminology and best practices used by the others can meaningful visibility and collaboration occur.

3. Invest in a Collaborative Planning Platform

Most procurement systems are designed to support procurement offices and focus primarily on helping contracting officers execute acquisition tasks. An underserved need for a platform exists to provide enterprise visibility across all stages of the procurement pipeline. Moreover, it would enable better collaboration among budget, program and administrative, and procurement offices and bridge the gap between operating plans, acquisition planning and
acquisition execution. Characteristics of a system that promotes visibility and collaboration include:

- An end-to-end view of the acquisition pipeline, accessible to all stakeholders;
- Visual dashboards, adaptable to the unique information needs of each stakeholder group;
- Collaborative workspace for cross-functional teams to plan and develop acquisitions packages;
- Intuitive workflow capabilities, including process flows, tasks, emails and alerts;
- User-friendly forms that minimize repetitive data entry and improve data quality;
- Integration with day-to-day business tools, including Outlook, spreadsheets, documents and SharePoint;
- The ability to integrate data from multiple existing systems to minimize user entry and tie system data together;
- Flexibility to adapt to unique organizational processes and workflows, provided within the structure of a common foundation to be used across an agency;
- Access to best practices, templates and examples to support program and administrative buyers.

In an environment where budgetary and staffing resources are decreasing, agencies still have opportunity to greatly improve the value they generate by rethinking their acquisition and spend planning processes to prioritize cross-functional collaboration and end-to-end visibility. Smart technology can facilitate more complete processes by knocking down information barriers, enforcing best practices and enhancing transparency. Improvements will bridge the gaps between segmented processes, stakeholders and systems. The shift will create a planning function that can quickly respond to budgetary, mission and scheduling changes without sacrificing competition, quality or appropriated funds.

It’s important to remember that acquisition planning is a team sport. It requires meaningful collaboration and end-to-end process visibility between budget, procurement and program players. Only then can agencies be able to claim efficient and decisive victories for taxpayers at the end of each fiscal year.

Endnotes

1. From analysis of Federal Procurement Data System data.
2. For example, if 8/100 actions are completed in the last week and the remaining 92 over the prior 51 weeks, the implied ratio for the final week is 4.4 times the weekly average.
6. The recent movement towards shared service agreements for procurement and finance exacerbates fragmentation by separating functions between agencies with differing locations, missions, processes and systems.
8. The FAR contains highly prescriptive requirements for acquisition plans which must be completed for each individual procurement action.
9. Since 2006, the Office of Federal Procurement Policy has required procurement professionals to undergo a robust training regimen (FAC-C) to serve as a Contracting Officer. Certification programs such as the CGFM and FAC-P/PM are great potential resources for program and budget offices to train their staff, but these certifications are voluntary and subject to discretionary training budget constraints.

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