

The Role of Chief Acquisition Officers: What Should They Be Doing?

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The Service Acquisition Reform Act (SARA) Legislation of 2003 (41 U.S.C. 414) established new positions of Chief Acquisition Officers to oversee Federal civilian agency acquisition operations. These Chief Acquisition Officers or CAO's were expected to match other senior managers such as Chief Financial Officers or Chief Information Officers in carrying out important agency missions. Moreover, as non-career employees, they were expected to have the political clout needed to significantly influence agency outcomes in much the same way that the Defense Department's Under Secretary for Acquisition, Technology and Logistics carries out his responsibilities. The SARA legislation tasked the CAO's to carry out the following activities:

- Monitoring the performance of agency acquisition activities,
- Advising the agency head on the appropriate business strategy to meet the agency's mission,
- Increasing the use of full and open competition in agency acquisitions,
- Increasing the appropriate use of performance-based contracting and performance specifications,
- Making acquisition decisions consistent with applicable laws,
- Managing the direction of acquisition policy for the executive agency,
- Establishing clear lines of authority, accountability, and responsibility for acquisition decision-making, and,
- Developing and maintaining an acquisition career management program.

In May 2008 the Administrator of Federal Procurement Policy added one more item to this list, tasking the CAO's to conduct acquisition assessments under OMB Circular A-123 (Management's Responsibility for Internal Control).

The expectation was that the CAO would be highly placed in the agency, advising the agency head on business strategy and focusing on acquisition in the broadest sense of the term.

Over time the term "procurement" has come to be perceived as the narrower contracting aspects of a much broader acquisition process that extends from identifying a need and defining requirements to monitoring a contractor's performance until a contract is closed out. This broader acquisition process is supported not only by contracting officers ("1102's" in the parlance of the Office of Personnel Management) but also by program managers and technical overseers who assist in developing requirements and also in monitoring contractor performance.

This new position of CAO was established even though agencies for many years already had in place a Senior Procurement Executive whose responsibilities according to the Federal Acquisition Regulation included "management direction of the acquisition system of the executive agency." However, as opposed to a non-career employee, the Senior Procurement Executive was typically a career civil servant with a specialized background in government procurement and well familiar with the niceties of the government's contracting process.

The SARA legislation makes it clear that the CAO could fulfill the role of agency Senior Procurement Executive but the expectation was that this position would entail a much broader set of responsibilities. In fact, however, from the list of activities shown above, it is hard to distinguish between the roles of the CAO

and those of the Senior Procurement Executive. In some respects, that lack of clarity and what appears to be a mirrored set of responsibilities may be one reason for a general sense of dissatisfaction regarding CAO's performance.

The new CAO position was meant to address the challenges that agencies were facing as they became more and more reliant on contractor support to accomplish their missions. These CAO's were expected to help agencies adopt appropriate strategies to operate successfully in this new business environment. To do so, however, they had to be strategically well placed in the agency hierarchy with clear authority over all aspects of the acquisition process, including workforce development and capacity building.

Many would argue that the CAO position has not lived up to its promise.

There are a number of reasons as to why the position has failed to achieve the results Congress sought for it, ranging from the relatively narrow roles set for the position in law to the placement of the office. The existing statutory language outlining CAO responsibilities does not provide the strong level of accountability, responsibility and authority needed to strengthen the position. For example, deciding on whether or not a program should move forward is an important authority of the Under Secretary of Defense for Acquisition, Technology and Logistics, yet no similar role rests with civilian agency CAO's. Moreover, the authority issue is complicated in that CAO appointees to date too often have little acquisition experience, making it more difficult for them to be able to deal with the intricate management challenges of the position.

This problem is compounded by the fact that the position has frequently become a part-time "other duty as assigned" for a senior political appointee who already has many other responsibilities.

When the Under Secretary of Defense for Acquisition, Technology and Logistics was established there was a clear expectation in legislation that a strong business background was an important asset in undertaking these responsibilities and there was no question that acquisition was an important full-time job and not an "other duty as assigned." Similarly high standards for selecting those to fill the civilian agency CAO positions could perhaps themselves elevate the impact and perceived importance of the job.

Recommendations

The following reflect a number of practical steps that can be taken to improve the effectiveness of the CAO position:

- CAO's should undertake an educational effort to inform senior agency officials of the critical role that acquisition plays in meeting agency needs.
- CAO's should perform a self-assessment to see how exactly they add value to their agency and then be able to convey their findings to agency leadership.
- The Senior Procurement Executive position should be restructured and placed as a deputy to the CAO to ensure full coordination of the agency-wide acquisition function.
- A new Business Council should be established that reports directly to the agency head. This Council should be chaired by a Deputy Secretary, and meetings should be attended by the Chiefs, i.e., the Chief Acquisition Officer, the Chief Financial Officer, the Chief Information Officer and Chief Human Capital Officer of the agency. Each of them should have an equal vote on internal human resources, operational, programmatic and funding issues. This Council would help to centralize accountability while breaking down stovepipes at the highest level, placing all key managers on an equal footing. As such, It would offer a structural solution to a structural problem without requiring any legislative changes.

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