

**DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
ADMINISTRATIVE SUPPORT OFFICES
OFFICE OF THE CHIEF PROCUREMENT OFFICER**

(\$ in Thousands)

	FY 2015 Actual	FY 2016 Enacted	FY 2017 Request
Personnel Services	\$15,867	\$16,363	\$17,003
Non-Personnel Services			
Travel	51	66	66
Printing	1	5	5
Other services/Contracts	322	481	741
Training	125	229	229
Supplies	59	56	56
Attorney's Fees	-	-	-
Working Capital Fund	-	-	1,030
Non-Personnel Services Subtotal	\$558	\$837	\$2,127
Grand Total	\$16,425	\$17,200	\$19,130
Associated FTE	114.7	117.0	120.0

Program Area Overview:

The Office of the Chief Procurement Officer (OCPO) provides quality, timely, innovative, and compliant acquisition and business solutions to support the creation of strong, sustainable, inclusive communities and quality, affordable homes for all. OCPO is responsible for all matters related to the Department's acquisition-related needs and activities, including managing the acquisition workforce in addition to conducting procurement activities. Procurement activities are conducted in Washington DC, Atlanta, GA; Ft Worth, TX; Denver, CO; Chicago, IL; and Philadelphia, PA in support of all HUD program offices.

OCPO has been leading multiple initiatives to transform the business of providing acquisition support to the Agency's programs. These initiatives have included implementing an enterprise acquisition management solution, conducting business process reengineering, leveraging the acquisition management solution to improve the strategic planning processes, developing performance metrics to measure timeliness of the entire acquisition process, implementing performance-based contracting, initiating strategic sourcing projects to reduce costs, conducting pilot projects for using shared services, streamlining through standardized templates, and improving the quality of all three pillars of the acquisition workforce – Contracting Officers, Contracting Officer Representatives,

and Project/Program Managers. Additional transformation efforts will continue to drive improvement, including projects to reduce pain points in the acquisition processes, measure accountability in the processes, implement more strategic sourcing, assess the Shared Services pilots to ascertain best uses, provide more procurement support through Category Management methods, and improve customer satisfaction through improved engagement and collaboration.

A linchpin of the entire acquisition process begins with an effective annual strategic acquisition planning process. OCPO implemented a robust annual strategic acquisition planning process to focus the strategic plans on requirements associated with budget submissions instead of wish lists and then early interaction on the planned acquisitions through Integrated Acquisition Teams (IAT) and the Acquisition Liaison Unit (ALU). The ALU has trained HUD personnel in the use of an automated tool for developing requirements documents.

HUD uses several metrics primarily focused in areas of Acquisition Planning and Execution:

- Planned versus Unplanned Acquisitions measures the ability of program offices to accurately forecast their needs through the acquisition planning process.
- Target Requisition Release Date (TRRD) measures the ability to submit acceptable requisition packages in a timely manner.
- Target Award Date measures the ability to award by the date forecasted.
- Procurement Acquisition Lead Time measures the average time it takes to award procurement actions.
- Contractor performance reporting is measured by the timeliness of contractor past performance information reported into the Contractor Performance Assessment Reporting System (CPARS).

Requested Level and Justification

Office of Chief Procurement Officer (OCPO) requests \$19,130K in fiscal year 2017, an increase from fiscal year 2016 enacted of \$1,930K.

- Personnel Services: OCPO is requesting \$17,003K, which is expected to fund 120.0 FTE. This request represents an increase from the fiscal year 2016 enacted budget of \$640K and an increase of 3.0 FTE. A nominal amount of funding is included to fund pay raises, promotions, and with-in grade increases.
- The additional 3.0 FTE will support Field Contracting Operations and Administration/Management Support. As a result of recent court decisions, HUD is now required to competitively procure new contracts for Performance-Based Contract Administrators in support of the Project-Based Rental Assistance program (PBRA). The contracts previously acquired under grants expend over \$240M per year, more than \$1B over 5 years, and were accomplished through more than 50 individual agreements. A complete 5-person work unit will be necessary to accomplish the procurements and administer these new contracts supporting the multi-billion dollar PBRA program with new procurements projected to begin in early-to-mid 2016.

Administrative Support Offices – Office of the Chief Procurement Officer

- Non-Personnel Services: OCPO is requesting \$2,127K to support travel, training, contracts, supplies and printing. The request includes \$1,030K to pay working capital fund fees for shared services, and other investments determined by the Secretary.

Full-time Equivalents

Staffing	FY 2015 FTE	FY 2016 FTE (Est)	FY 2017 FTE (Est)
Office of Chief Procurement Officer	7.9	12	12
CPO, Customer Service Support Staff	5.1	5	5
CPO, Field Contracting Operations Division	45.2	40	42
CPO, Program Support Branch	16.7	22	22
CPO, Policy and Systems	13.9	13	13
CPO, Administration and Management Support	25.9	25	26
Total	114.7	117.0	120.0

Key Operational Initiatives

- As part of the New Core financial initiative, OCPO moved in early fiscal year 2016 from its enterprise acquisition system – HUD Integrated Acquisition Management System (HIAMS) - to the Acquisitions Shared Services Provider at Treasury.
- OCPO implemented an automated tool, the Acquisition Requirements Roadmap Tool (ARRT), in early fiscal year 2016 for preparation of improved requirements documents for performance-based acquisitions (PBA). OCPO’s Acquisition Liaison Unit (ALU) has trained both program offices and contracting staff on how to utilize it to write better Performance Work Statements (PWS) and Quality Assurance Surveillance Plans (QASP).
- OCPO is working with several stakeholders as part of the Deputy Secretary’s Deep Dive projects to improve the cradle-to-grave process of acquisitions. Projects initiated in fiscal year 2016 include: developing strategies to improve the pain points in the acquisition process; improving contract oversight by the acquisition workforce; implementing more strategic sourcing opportunities through targeted analysis of data; assessing and implementing the best uses of shared service providers for acquisition projects; realigning OCPO to better support the HUD enterprise through category management versus the traditional silo approach by program office; improving transparency and accountability throughout the acquisition process

through standard assessment tools and reporting dashboards; and improving accountability of all Departmental senior executives as they relate to acquisition requirements.

- HUD continues to leverage strategically sourced acquisition vehicles put in place by the General Services Administration and other agencies to reduce duplication across government, including the vehicles in place for office supplies, package shipping, wireless services, and data transport services. There are additional on-going efforts in the active procurement phase, including utilizing shared services for IT infrastructure and cloud services. The six initiatives are an effort to consolidate contracts with like services under a single vehicle that will allow the Department to leverage its buying power and achieve more competition resulting in lower cost and improved performance for these requirements. Some of these efforts include consolidating similar requirements and opening them up to competition through the competitive 8a program, where previously sole source contracts were awarded under the SBA 8a program. Other areas that are on track for strategic sourcing in fiscal year 2016 include logistical support services, document imaging and storage services, training services, and multifamily property inspections.
- OCPO is making more use of the lowest-priced technically acceptable (LPTA) method of obtaining contracts versus the most commonly used tradeoff approach, where the source section official often selects a higher technically qualified, high-priced offer for the contract award. For requirements that are not highly complex, the experience to date in using LPTA has been to show cost savings ranging from 10-30 percent. The initial candidates for this approach have been in the information technology support services and we are looking for other areas to implement this cost saving approach and other variants of it.

OCPO plans to request Voluntary Early Retirement Authority and Voluntary Separation Incentive Payment (VERA/VSIP) authority for the first time in fiscal year 2016 to reduce the overall cost per FTE and allow us to hire more staff using career ladders while rightsizing the workforce to implement category management and achieve grade parity between HQ and field staff performing the same work. The VERA/VSIP and associated realignment of duties would also feed into the Department's efforts to streamline and centralize certain enterprise requirements.