

# **Development of Capacity and Capability of Government Procurement to Deliver Value for Money**

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**LAW**

**Daniel I. Gordon  
Associate Dean for  
Government Procurement Law Studies  
The George Washington University  
Law School  
Washington, DC**

# Professionalization of the Public Procurement Function

Professionalization of the public procurement function serves multiple goals, including:

- Create smarter buyers, who can be business advisors to government users
- Protect system from political & other corrupt pressures

# Professionalization of the Public Procurement Function

**Achieving & maintaining professionalization is challenging**

- **Creating a procurement ‘position description’ & career path can help**
- **Training and certification, initial & ongoing, can play a critical role**

# Procurement Training: A Challenge in Every Country

## *Key Questions:*

- WHO MAKES THE TRAINING POLICY DECISIONS?
- WHOM TO TRAIN?
  - Who should be trained within the acquisition workforce?
  - Who is outside that workforce, but should also be trained?
- HOW TO PAY FOR TRAINING?
- WHAT SUBJECTS TO TEACH?
- HOW TO TRAIN?
- HOW TO MEASURE PROGRESS?

# WHO MAKES THE TRAINING POLICY DECISIONS?

- Will policy be set by a central body, or will it be decentralized?
- Will the policy be mandatory, or only guidance?
- Will the policy be detailed, or only general?
- Will employees be required to be certified?

# WHO MAKES THE TRAINING POLICY DECISIONS?

## The U.S. experience:

- **Sharp separation between civilian & defense agencies**
- **Statutory mandate for centralized setting of overall policy by the Office of Federal Procurement Policy (OFPP)**
  - **Covers all civilian agencies**
- **OFPP defines “acquisition workforce”**
- **OFPP sets training standards & policy**

# HOW WILL ACCURATE AND UP-TO-DATE INFORMATION BE COLLECTED?

- It is often difficult to identify members of the acquisition workforce
- It is often difficult to track their training and certification levels

# HOW WILL ACCURATE AND UP-TO-DATE INFORMATION BE COLLECTED?

**The U.S. experience:**

- **There are centralized training bodies – the Federal Acquisition Institute (FAI) and the Defense Acquisition University (DAU) responsible for gathering data**
- **There are many difficulties maintaining accurate and up-to-date databases**

# Examples of Amount of Training Provided

**The latest annual report for the U.S. DAU shows:**

- **More than 7 million hours of training in 2012**
- **More than 200,000 graduates**
  - **Of them, more than 150,000 studied online**
  - **More than 50,000 studied in classrooms**

# WHOM TO TRAIN?

- **Government officials:**
  - **Acquisition personnel**
    - **Contracting personnel**
    - **Support personnel**
  - **Other government personnel**
    - **Program staff**
    - **Attorneys & others**
- **Non-government personnel**
  - **Contractor personnel, especially in small businesses**

# WHOM TO TRAIN?

## The U.S. federal approach:

- **Government officials:**
  - Acquisition personnel at every federal agency
    - **Contracting officers & contract specialists:**  
*Approximately 35,000 at the federal level – they are the main focus of training*
    - **“Contracting officer’s representatives” (CORs) – those who liaison with contractors during performance – have recently been the focus of more attention on training (*rough estimate of numbers: 50,000 at the federal level – note they have other jobs*)**

# WHOM TO TRAIN?

- **Other government personnel**
  - **Program staff – Virtually no training about procurement, despite talk of “team building”**
  - **Attorneys & others – Training is handled separately**
- **Non-government personnel – Not included in government’s training efforts (but there is some training about procurement by the Small Business Administration)**

# HOW TO PAY FOR TRAINING?

- **A major challenge in every country**
- **When budgets are tight, training budgets get cut**

# HOW TO PAY FOR TRAINING?

## The U.S. approach:

- **By law, a percentage of contract spending goes into a training fund**
- **This has been a major achievement, it works reasonably well**

# WHAT SUBJECTS TO TEACH?

- **Contracting rules**
- **Procurement policy**
- **Business**
- **Management**
- **Agency mission**

**U.S. approach is to try to teach all of these**

# Examples of Courses Taught in U.S.

- **Contracting fundamentals**
- **The small business program**
- **Program management tools**
- **Source selection**
- **Leader as coach**
- **Principles of schedule management**

# WHAT SUBJECTS TO TEACH?

- Knowledge in highly specialized areas can be a challenge
- In particular, procuring information technology (IT) can require specialized knowledge
- U.S. is experimenting with “specialized IT acquisition cadres”
- <http://www.whitehouse.gov/sites/default/files/omb/procurement/memo/guidance-for-specialized-acquisition-cadres.pdf>

# HOW DO YOU ASSESS NEEDS?

## Institutional needs:

- **What the institution buys may determine needs**
  - For example, an agency that contracts for road construction may want to focus training on relevant areas
- **How the institution buys may shape needs**
  - For example, an agency that relies on framework contracts for a significant share of its buying may need specialized contracting skills
- **Institution's demographic profile may affect needs**
  - For example, seniority of contracting staff

# HOW DO YOU ASSESS NEEDS?

## Individual needs:

- **Assessing individualized needs is challenging**
- **Instead, agencies often require training in a generic ‘basket’ of knowledge and skills**
- **The certification requirement should reflect that assessment of the knowledge and skills needed**
- **Individuals may have specific needs, due to their work (e.g., large energy projects, IT contracting)**

# HOW TO TRAIN?

- **Face-to-face lectures**
- **Interactive classes**
- **Online training**
- **On-the-job training**

# HOW TO TRAIN?

## **The U.S. situation:**

- **DAU has a large budget, good facilities, and many professional staff**
  - **Much teaching is by DAU staff**
  - **More and more online classes being developed**
  - **By now, more online than classroom training**
- **FAI has a limited budget and small staff**
  - **Heavy reliance on contractors (who are generally well regarded), as well as on DAU courses**
  - **Growing use of online courses**

# ONLINE COURSES

**Online courses have advantages & disadvantages:**

## **Advantages:**

- **Inexpensive to share - can reach thousands of people**
- **Can be taken any time, any where**

## **Disadvantages:**

- **Expensive to prepare – sophisticated pedagogical considerations & technical challenges**
- **Risk that “attendees” may not pay attention**

# HOW TO MEASURE PROGRESS?

- **A major challenge in every system**
- **Is the goal to increase the number of course attendees, or certifications, or money spent on training?**
- **Quantitative metrics are available for these three – but are they the real goals? What are the metrics for the real goals?**

# HOW TO MEASURE PROGRESS?

- **The U.S. now requires civilian agencies to have a strategic plan for their acquisition workforce development, which includes training**
- **The requirement calls for training to be targeted to workforce needs – but metrics are still a challenge**

# CERTIFICATION PROGRAMS

## The appeal:

- **Certification programs represent concrete steps toward professionalizing the public procurement workforce**
- **Certifications may offer an assurance of protection against political pressures and corruption**

# CERTIFICATION PROGRAMS

## The challenges:

- **Certification programs can turn into meaningless exercises if the training courses are not good**
- **Even good courses are not enough to provide assurance of a professional workforce – good on-the-job training, with good supervision and coaching, is often the best way to learn to be a good public procurement professional**

# **CERTIFICATION: THE U.S. APPROACH**

**The U.S. approach is for certifications to require:**

- (1) experience**
- (2) general education, and**
- (3) acquisition training**

# **CERTIFICATION**

## **THE U.S. APPROACH**

**Three levels of certification for contracting staff**

**Lowest level requires:**

- Five core courses, including, for example:**
  - Shaping Smart Business Arrangements, Contract Planning, Contract Execution, Mission Performance Assessment**
- B.A. degree or equivalent**
- One year of contracting experience**

# **CERTIFICATION**

## **THE U.S. APPROACH**

- Separate certification for contracting staff versus program staff versus contracting officer’s representatives (CORs)**
- Training courses focus on rules, business, management, and teamwork**

# **CERTIFICATION**

## **THE U.S. APPROACH**

**Example:**

**Three levels of certification for CORs**

- **Level I - 8 hours of training and no experience required**
- **Level II – 40 hours of training and one year of previous COR experience required**
- **Level III – 60 hours of training and two (2) years of previous COR experience**

# **CERTIFICATION**

## **THE U.S. APPROACH**

**To maintain certification, annual training requirements must be met**

**For example, for Level II and III COR certifications, the U.S. requires 40 hours of training every 2 years**

# RESOURCES ON THE U.S. CERTIFICATION SYSTEM

- OFPP on certification of CORs:

<http://www.whitehouse.gov/sites/default/files/omb/procurement/revisions-to-the-federal-acquisition-certification-for-contracting-officers-representatives.pdf>

# RESOURCES ON THE U.S. PROCUREMENT TRAINING SYSTEM

- **Government Accountability Office reports on workforce training:**

<http://gao.gov/assets/660/653437.pdf>

- **DAU: [www.dau.mil](http://www.dau.mil)**
- **FAI: [www.fai.gov](http://www.fai.gov)**

# RESOURCES ON THE U.S. PROCUREMENT TRAINING SYSTEM

- **Office of Federal Procurement Policy:**

[http://www.whitehouse.gov/omb/procurement\\_index\\_workforce/](http://www.whitehouse.gov/omb/procurement_index_workforce/)

**Example of a recent memo on improving efficiencies in training:**

<http://www.whitehouse.gov/sites/default/files/omb/procurement/memo/increasing-efficiencies-in-the-training-development-and-management-of-the-acquisition-workforce.pdf>

# RESOURCES ON THE U.S. PROCUREMENT TRAINING SYSTEM

**Example of a survey of federal procurement  
workforce competencies:**

**[http://www.whitehouse.gov/sites/default/files/omb/procurement/workforce/workforce\\_comp\\_survey\\_101707.pdf](http://www.whitehouse.gov/sites/default/files/omb/procurement/workforce/workforce_comp_survey_101707.pdf)**