

March 9, 2001

M-01-15

MEMORANDUM FOR HEADS AND ACTING HEADS OF DEPARTMENTS AND
AGENCIES

FROM: Sean O'Keefe
Deputy Director

SUBJECT: Performance Goals and Management Initiatives for the FY 2002 Budget

In accordance with the Director's memorandum, subject above, dated February 14, 2001, the Office of Management and Budget is providing additional guidance on the development of performance plans regarding the following reform initiatives:

1. Making greater use of performance-based contracts: For FY 2002, the Performance-Based Contracting (PBSC) goal is to award contracts over \$25,000 using PBSC techniques for not less than 20 percent of the total eligible service contracting dollars. This goal is based on the goals established under the Government-Wide Acquisition Performance Measurement Program established by the Procurement Executives Council.
2. Expanding the application of on-line procurement: For FY 2002, agencies will post (a) all synopses for acquisitions valued at over \$25,000 for which widespread notice is required and (b) all associated solicitations unless covered by an exemption in the Federal Acquisition Regulation on the government-wide point-of-entry website (www.FedBizOpps.gov). The President's commitment is to shift procurement to the Internet at the same rate as the private sector and to increase competition and accessibility.
3. Expanding A-76 competitions and more accurate FAIR Act inventories: For FY 2002, agencies will complete public-private or direct conversion competitions on not less than 5 percent of the FTEs listed on their Federal Activities Inventory Reform Act inventories. Agency plans will include the number of FTEs by function and location being competed, training requirements and planned contract support. The President's commitment is to open at least one-half of the Federal positions listed on the FAIR Act inventory of commercial functions to competition with the private sector.

Agency plans should outline how the agency intends to meet these goals. If the agency does not believe that it will achieve these goals within the FY 2002 Budget time-frame, the agency should describe the actions they intend to take in order to mitigate this problem. Agencies should provide a time-line showing when it expects to achieve this FY 2002 Budget goal.

The Office of Federal Procurement Policy staff is ready to work with you as you prepare these plans and coordinate your budget impacts, if any, with your budget examiners.