

Acquisition Management Under GPRA and Balanced Budgets

The Federal Government is changing the way it manages large programs. Agencies are required to set six year strategic goals and objectives and prepare annual performance plans to meet the strategic goals. They must do this within a balanced budget environment, which demands that programs achieve performance goals for the budget allocated. Acquisitions account for almost 40 percent of federal discretionary spending, making it imperative that agencies thoroughly plan acquisitions to achieve a high probability of achieving the original cost, schedule and performance goals used in the budget justification. All acquisition are to be justified on a life-cycle cost basis and not an initial acquisition cost basis. Performance-based management systems are mandatory to monitor in-process acquisitions to accurately determine achievement, or deviation from, the original cost, schedule and performance goals. These disciplined management requirements are included in OMB Circular A-11, Preparation and Submission of Budget Estimates.