

By Michael J. Keegan

Introduction: Perspectives on Federal Acquisition and Complex Contracting

Contract expenditures represent 16 percent of total federal spending. In fiscal year 2012, the federal government acquired \$517 billion worth of products through contracts. Purchases range from simple products like office supplies or landscaping to advanced weapon systems and program management services.

Given what's at stake, it is critical for government executives to understand one of the most complex bureaucratic processes in government—the federal procurement system. Understanding how this system works is a key ingredient to success in government, and improving it is crucial in this era of tight budgets.



As the challenges confronting the federal government become more complicated, so will the types of services and goods needed to address them. Increasingly, products or services cannot be clearly or easily defined in advance and their quality is difficult to verify after delivery. These are called complex products, and their acquisition requires sophisticated contracting approaches.

- Why do federal agencies need to procure goods and services?
- What are the basic phases of the federal acquisition lifecycle?
- What are the challenges of acquiring complex products?
- What lessons can be learned from the Coast Guard's Deepwater program?
- How can government executives most effectively manage complex acquisitions?

We explore these questions and so much more through the work of the research team composed of Professors Trevor Brown, Matt Potoski, and David Van Slyke, authors of several IBM Center reports and the recent book, *Complex Contracting: Government Purchasing in the Wake of the US Coast Guard's Deepwater Program*.

Deepwater was a major “system of systems” acquisition to upgrade and integrate the Coast Guard's sea and air assets. Brown, Potoski, and Van Slyke discuss the promise and perils of government contracting while providing wide-ranging, practical advice on federal acquisition, with a specific emphasis on complex acquisition.

Professor Trevor Brown, of the John Glenn School of Public Affairs at The Ohio State University, and Professor David Van Slyke, of the Maxwell School of Citizenship and Public Affairs at Syracuse University, joined me on *The Business of Government Hour* to share their perspectives on federal acquisition and complex contracting. The following is an edited excerpt of our conversation.