FAA Acquisition Management System
Industry Recommendations for Improvement

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Air Traffic Control Association
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**Introduction:**

Congress passed FAA acquisition reform in November of 1995 responding to top FAA officials and aviation stakeholders who were concerned the existing government procurement process was too slow for the highly technical, unique equipment needed for air traffic control (ATC). The new law gave FAA the authority to write procurement regulations better suited to the high tech industry. Part of the promise of this procurement reform was a faster system so aviation users and controllers could benefit from cutting edge technology.

Twenty years later, many ATCA members want to see improvements to the FAA’s Acquisition Management System (AMS) with specific areas addressed, if not a complete overhaul of the system; they feel the current procurement process has not delivered on its promises to improve the efficiency of awarding and implementing operations in ATC. While some features work well, the AMS as a whole has led to shortfalls in cost, schedule, and performance for more than 20 years – all resulting in a less than ideal product.

On July 7, 2015, more than 50 ATCA industry members participated in a roundtable discussion to examine challenges and issues from an industry perspective, and identify possible solutions to provide feedback and recommendations to the FAA and its Program Management Office (PMO). Nearly all the attendees currently interface in some way with FAA’s procurement process, and more than half the attendees previously worked for the government and dealt with the FAA AMS process in some capacity.

**Evaluation:**

While the roundtable was an effort to gather recommendations on possible improvements to the AMS, one of the first questions was, “What do you think is working well?” Overwhelmingly, attendees thought the small business objectives were articulated and identified clearly and then met by the FAA. This was a great example of how well the FAA team works together and accomplishes their goals when objectives are clearly stated. In addition, the group thought service-based contracts, such as FAA Telecommunications Infrastructure (FTI) and Automatic Dependent Surveillance-Broadcast (ADS-B), were working well.

Roundtable attendees separated into smaller groups and started to break down the full lifecycle process of the AMS. They discussed its positives and negatives and identified current areas of improvement with the intent of building upon those features of the AMS already working well. Participants narrowed down their list to seven core challenges, all of which are seen as keys to success for the AMS:
Further examination and analysis of top challenges of the AMS led to more detailed definitions:

**Leadership:** A clear hierarchy of leadership and management is one of the biggest factors of success in any program or system, especially regarding an inherently detailed and complicated process. From the outside, it is often unclear who has the ultimate authority and responsibility in the AMS process to make decisions and keep the program on track – the CO or the Program Manager (PM). Furthermore, the incentive structure for the CO and PM is unclear and uncoordinated, which leads to a lack of accountability. It is imperative that a manager who understands the requirements of both the CO and PM manages them as a team.

**Training:** There is a severe lack of adequately trained officers and staff working directly with the AMS. It appears that COs are trained in the typical government procurement process, and then “re-trained” in the unique features of the AMS. The rigidity of the basic government procurement process runs counter to the flexibility offered in the AMS, resulting in the contracting office being uncertain, and then less than responsive, which in turn prolongs the process. It has escalated to the point that FAA subcontractors, who do not have enough background in acquisition, are oftentimes doing the work of the CO and are asked to make major decisions in the process.

**Communication:** Any government procurement process includes times where communication can be open and times when communication should be limited or follow a full-disclosure procedure. Currently, there is a lack of open dialogue. The communication between the FAA and industry remains in the developmental stage for too long and should mature at a quicker rate. Some offices decide “communication” is simply identifying one person to accept all meetings with the industry and to listen. A collaboration disconnect exists between the technical office, the vendor community, and the contracting office. Improving dialogue with the industry will help develop the best solutions to the FAA’s challenges.

**Process Improvement:** The current procurement process is much too arduous and inefficient and should be accelerated. It is not atypical for a program to take four years to plan when it is only estimated to last five years. Unfortunately, there is no monetary incentive for the CO or PM to keep the contract and/or program on track and on time. The FAA’s Air Traffic Organization (ATO) is a performance-based organization (PBO), but it does not operate like one.
AMS Flexibility Non-Use: The AMS was designed to provide FAA more flexibility. This has translated into some atypical contract vehicles – SE2020 being one example. However, those flexible contract vehicles have been in place but then not acted upon. It is unclear why the flexibility of the AMS system is not being used. Again, it may be a matter of training. Regardless, the legal authority to design AMS is based on providing a more flexible procurement system than the Federal Acquisition Regulation (FAR) allows. The AMS has many opportunities to implement flexible procurement options, and yet, they are not utilized.

Lack of CO Resources: While it should be the CO’s responsibility to maintain the integrity of the contract, many lack the necessary knowledge in products and services. Historically, COs rely too heavily on PMs for that knowledge without building enough trust with their Contracting Office Technical Representatives (COTRs). At times, the PMs do not have the technical expertise to inform the project. A meeting at the outset of the process – during the initial writing phase – between multiple PMs across portfolios, Subject Matter Experts, and the CO, would be beneficial.

Risk Aversion/Lack of Innovation: The FAA’s culture of risk avoidance stifles the ability to act creatively in the Acquisition process, which in turn makes it impossible to cultivate an innovative procurement environment. FAA employees are not encouraged or incentivized to go above and beyond in their basic job description; they see no real benefits for creative thinking, or finishing a deliverable early or even on time. They are, however, punished for significant mistakes. Because innovative thinking is not nurtured or encouraged, some in the workforce have become risk-averse and satisfied with the status quo.

Recommendations:

Roundtable attendees then formulated real, attainable solutions to address each challenge.

Leadership: While there are procurement leaders in the FAA, there is still a disconnect between the general council office, the program manager, and the finance office. Identifying a champion for the AMS who can set overarching goals/visions and hold the internal team accountable for success would be ideal. In addition, this individual can set and help maintain standards for open communication with stakeholders. Employing a Quality Assurance (QA) process will help achieve this goal.

Training: An Acquisition University should be created to train COs, PMs, executives, etc., on AMS. It can be modeled after the Department of Defense’s (DOD) Defense Acquisition University (DAU). Once the University is active, minimum and mandatory annual training and certification should be set for specific positions and levels. This Acquisition University should educate both government and private sector students. It is beneficial for all to understand the AMS process, and a university open to public and private students will be more cost effective.
Communication: As an initial step, an Acquisition Committee should be formed to share best practices, issues, challenges, and ideas. In addition, and most importantly, industry should be engaged early on and throughout the process pre- and post-solicitation to promote one-on-one interaction. Demonstration/Validation (Dem/Val) should also be used to open collaboration and constructive dialogue of government requirements and potential industry solutions, thus mitigating risk.

Process Improvement: Metrics should be put in place to easily track process improvement. The PMO should focus on an executable, realistic set of programs and develop feasible timelines. Metrics should then be created and lessons learned recorded. Metrics should include the time each award took from outset to completion, and how many times the COs changed for each project and if that affected the process timeline. To guarantee consistency and avoid duplication of efforts on the contractor’s part, it would be ideal to have one CO throughout the entire process. Lessons learned should be well-documented and communicated. In addition, implementing an evaluation process would be beneficial.

AMS Flexibility Non-Use: The current flexible AMS contract vehicles should be re-examined to understand why they have not been used and if utilizing them now would be beneficial. Lessons learned should be reviewed and published. Training should focus on maximizing the flexibility in the procurement law and the AMS rules. Incentives should be established to make sure future procurement vehicles are in place with the flexible AMS rules and unique benefits maximized.

Lack of CO Resources: The PMO should be involved for the CO’s annual review, and should examine the quantity of officers and compare each one’s workload. This will incentivize COs by creating a shared ownership for sustainable collaboration while aligning performance goals among officers. The PMO should focus on an executable set of programs in order to provide necessary resources to support the program and speed up the AMS process. In addition, the PMO should examine if the legal department has become a default mode/resource for the CO’s actions.

Risk Aversion/Lack of Innovation: There should be a departure from the risk-averse environment toward a performance-based requirements environment that incentivizes output. Industry should be engaged and incentivized to continually communicate innovative ideas during program definition, similar to the concept of Integrated Product Team. The PMO should encourage industry innovation and technical solutions as a new way of doing business. Further, innovation can be explicitly requested in the Screening Information Request as a way of creating criteria to be evaluated along with other requirements.