

By: Jason Miller | March 1, 2019

Fixing federal IT requires changing acquisition, funding approaches

Whether or not the Section 809 panel's recommendation to exempt the Defense Department from the Clinger-Cohen Act makes sense or goes too far, the congressionally-mandated group hit upon a bigger issue to be solved for every agency: The way Congress provides funding for agencies to buy technology is frozen in time.

Experts say until the budgeting and agency planning processes are fixed to give agencies the ability to "pay by the drink," then updating, modernizing or ignoring all the IT laws that Congress put on the books over the last 25 years will not matter.

Mark Forman, a former Hill staff member who helped write the Clinger-Cohen Act and who now is vice president and global head of public sector for Unisys, said the law and other procurement reforms of the 1990s like the Federal Acquisition Reform Act tried to tackle the problems that emerged at the beginning of the procurement.

"The [809] report makes a good point that things have shifted. We are no longer buying capital assets but we are really buying IT as a utility or as-a-service. Out of that comes a couple of key things: Clinger-Cohen Act was focused on better capital asset planning, treating IT as an asset and tying that investment to business results. That has changed, and it's fair that needs to be updated," Forman said on [Ask the CIO](#). "Whether it's Clinger-Cohen or [the DoD] 5000 series, the regulations that oversee the whole acquisition process have to take into account now that we are no longer buying a capital asset. We are buying the ability to process information and we need to be able to do different things with the information. The information today is not just a document or it's not just a set of numbers, it's video, it's so many different dimensions of media."

A reminder of CIOs' power

Forman and other experts said it's that need to move away from buying large systems and refreshing hardware and software in data centers every five years which is really

driving the desire from the 809 Panel and others for change. Forman said one of the driving tenets of the Clinger-Cohen Act is the focus on program management, and that still matters as much today as it did 23 years ago.

“The real issue is that DoD and other agencies have to figure out what is the project. What are they trying to do to take advantage of these new types of technologies? Cloud is really just a sourcing. It’s the mega-shared service,” he said. “I don’t think it’s about keeping the law, but it’s about understanding how to shift the management practices to the best approach for taking advantage of today’s IT.”

Dave Wennergren, a former deputy CIO and deputy chief management officer at DoD and now managing director at Deloitte, said the Clinger-Cohen Act, or any of the IT laws for that matter, is a helpful reminder of the power of the CIO. But the real impact of any CIO is being involved in the acquisition process from the beginning.

One reason why the 809 Panel recommended exempting DoD from the Clinger-Cohen Act is the paperwork compliance requirements that have built up over the years that take time and resources away from the mission. Wennergren said that during his tenure at DoD, many times those compliance efforts came at the end of the process well after the CIO either affected the procurement or not.

“The specifics the 809 Panel is driving toward was about the Clinger-Cohen compliance checklist was not the key enabler and it didn’t speed up acquisition at all. It’s important to detach the thing the 809 Panel wants to get rid of, which is [a] paper-based compliance checklist that, frankly, [has] driven some CIOs to become compliance people rather than business change people,” he said. “It’s an important distinction to make that if you layer on additional paper-based reporting requirements you will slow down your ability to deliver technology solutions more rapidly.”

Separate from that, he said, is the importance of having an IT leader who is engaged in the conversations of the organization around how to use technology to deliver the mission and services to the citizen.

That is why Forman and others said the capital planning and investment control process (CPIC) of today has outlived its usefulness. But that doesn’t mean the Office of Management and Budget should throw the entire process out because agencies still need to do analyses of alternatives and ensuring there is alignment of IT and mission strategy.

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“What has shifted over time for IT is that we now need to focus more on how we are managing and leveraging information, and how do we get more value out of information. We don’t need to focus so much on what technology we are buying or what version of technology we are buying,” he said. “There is one procurement issue caught up in this and I think the Section 809 Panel makes very clear this needs to be addressed, as has a number of us who also have been talking about this for awhile —federal procurement laws really are focused on a reimbursement of labor hours at the heart of most IT spend [ing].”

Breaking down structural delays

The shift to buying IT as-a-service, he said, is buying some outcomes, storage or processing output or quality of management advice rather than focusing on buying a capital asset.

“You are focusing on a different type of IT services that are not people oriented and the procurement laws haven’t made that shift yet,” he said.

OMB is trying to reform the CPIC process through the use of Technology Business Management (TBM) standards. OMB said the goal is for TBM to move the planning process from a static effort to a value-added dynamic one that cuts across the entire agency.

Dan Chenok, the executive director at the IBM Center for the Business of Government and a former OMB official, said the processes that cause a lot of delays in DoD are more about implementation than overall technology management.

“An approach that would work within the department to almost do a work breakdown structure of those processes and a simplification exercise to see what you need to do to acquire technology could probably lead to significant improvement in the time it takes to acquire emerging technology and bring it into the mission space without sacrificing program integrity or introducing a lot of risk,” he said.

Wennergren and other experts say in the private sector CIOs are becoming more important to the organization because they are leading business change and adoption of new technologies that impact the corporate strategy.

“When that happens, industry said the CIO continues to be an important and relevant job,” he said. “But if you allow your CIO to just become your compliance checker, then it’s not adding much value and it doesn’t need to be a senior position and it’s not going to drive the outcomes of the organization.”

Congress seemed to recognize the important role of the CIO in the 2019 National Defense Authorization Act. Lawmakers beefed up the DoD CIO authorities to set IT standards for all of the military services and to scrutinize their budgets. The legislation also returned the CIO to the status of a Senate confirmed position.

Chenok added that Clinger-Cohen’s foundation is strong, but there are things that need to change to reflect the CIO’s role as a member of the strategic management team.

“An empowered CIO working with a modernized statutory structure, a modernized Clinger-Cohen, could be a great asset in understanding how to modernize that procurement cycle to bring in new technology,” he said.

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