SERVICE LEVEL AGREEMENT BETWEEN
THE OFFICE OF MANAGEMENT AND BUDGET'S
OFFICE OF FEDERAL PROCUREMENT POLICY AND
THE GENERAL SERVICES ADMINISTRATION REGARDING
THE MANAGEMENT AND PERFORMANCE OF
THE FEDERAL ACQUISITION INSTITUTE

I. Background and Delegation:

A qualified and well-trained acquisition workforce is essential to buying smarter, managing risk, cutting waste, and reducing duplication, so taxpayers get the best value for their money.\(^1\) Under the Office of Federal Procurement Policy (OFPP) Act, the Administrator for Federal Procurement Policy is responsible for establishing policies to strengthen the acquisition workforce and, in support of that mission, to provide for and direct the activities of the Federal Acquisition Institute (FAI).\(^2\) For nearly 30 years, OFPP has partnered with the U.S. General Services Administration (GSA) to operate FAI in order to train and develop a professional and capable acquisition workforce with a focus on civilian agency needs.

Section 864 of the National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2012 amended the OFPP Act and gave OFPP new responsibilities for the daily operations of FAI.\(^3\) OFPP is fully committed to supporting FAI and, consistent with the intention of the NDAA provisions, will continue to strengthen the management and strategic direction of FAI. As a policy office in the Executive Office of the President, OFPP supports the FAI by providing policy oversight and broad direction of the FAI, as consistent with OFPP’s mission, resources, and expertise. Consequently, the operational responsibilities articulated in the NDAA are better suited for continued performance by GSA, which – as OFPP has determined – remains the most appropriate agency to conduct the day-to-day management of this training institute. Therefore, in accordance with the OFPP Administrator’s general delegation authority under the OFPP Act (41 U.S.C. § 1122(c)(2)), and with the consent of the Acting Administrator of General Services, the OFPP Administrator is hereby delegating to the Administrator of General Services (hereinafter also GSA Administrator) the responsibility for managing the daily operations of FAI and for supporting FAI’s resource management responsibilities.\(^4\)

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\(^1\) In addition, to contracting professionals, the acquisition workforce also includes Project and Program Managers who define requirements, Contracting Officer’s Representatives (CORs) who oversee performance of the contracts, and often other subject-matter experts - all of whom work together to ensure good acquisition outcomes.


\(^4\) During the congressional consideration of these amendments to the FAI statute, the then-Administrator for Federal Procurement Policy sent a letter to the relevant Committees on September 8, 2011, expressing the intention (if the legislation was enacted) to delegate the management of FAI back to GSA. A copy of that letter is in Appendix C. In addition, the Senate Report for S.762, the Federal Acquisition
II. Responsibilities under the Service Level Agreement:

To carry out the respective responsibilities of OFPP and GSA with respect to FAI, OFPP and GSA are entering into this Service Level Agreement (SLA).

The following sets forth the general framework for managing FAI, which is charged with fostering and promoting the development of the civilian agency acquisition workforce. OFPP is responsible for setting workforce policies, providing strategic direction to FAI, and evaluating FAI’s performance. GSA is responsible for managing the daily operations of FAI and for supporting FAI’s resource management responsibilities. The FAI Board of Directors (BoD) is responsible for advising the OFPP and GSA Administrators on the management of FAI, including recommending a budget ensuring that FAI addresses the acquisition workforce challenges of the civilian agencies.\(^5\)

Lastly, in consultation with these entities, the FAI Director is responsible for preparing the strategic and spend plans and implementing the programs and initiatives to meet the FAI’s statutory responsibilities. Many of the specific responsibilities for OFPP, GSA, the BoD, and FAI are established in statute or policy, and an illustrative, though not exhaustive list, of these functions is provided in Appendix A for reference.

To avoid overlap in some of the more critical areas, the general responsibilities, and expectations of OFPP, GSA and FAI are described in more detail below by function. If any organization is unclear as to its role or responsibilities, the Administrator for Federal Procurement Policy shall make the determination upon consultation with the appropriate parties. OFPP, GSA and FAI will promptly respond to any concerns raised by any party or the BoD.

III. FAI Management:

FAI provides valuable tools and technologies, and acquisition workforce human capital development programs and training to the civilian agencies. Agencies rely on FAI and

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Improvement Act of 2011, included the following discussion regarding the possibility of an OFPP delegation to GSA, with respect to the provisions that were ultimately enacted in Section 864 of the 2012 NDAA:

"This gives the OFPP Administrator needed operational flexibility to determine where to best house FAI, pursuant to the Administrator’s delegation authority under § 1122(c)(2)(B). It sends a signal to all of the civilian agencies that FAI serves their mission and needs as well as those of the General Services Administration (GSA). However, the Office of Federal Procurement Policy Act clearly empowers the OFPP Administrator to designate and oversee whichever civilian agency the Administrator deems proper and necessary to fulfill the mission of FAI; in other words, the OFPP Administrator would have the authority to designate GSA as the host agency for FAI."


\(^5\) The charter of the FAI Board of Directors (BoD) is in Appendix B. The BoD members are senior-level acquisition and human resource executives from various Federal agencies. They meet with FAI periodically to review FAI's strategic initiatives and spend plan, and to advise FAI on how it can most effectively and efficiently perform its statutory mission and, in so doing, meet the needs of the agencies in strengthening the acquisition workforce.
the Acquisition Workforce Training Fund (AWTF) resources to assist them in the development of a mobile and capable acquisition workforce. To facilitate OFPP providing strategic direction to FAI, and to ensure that FAI is achieving the needs of its stakeholders, GSA shall carry out its FAI responsibilities in accordance with the following general management principles.

A. Appointment and Management of the FAI Director

1. **Appointment of the FAI Director** - The FAI Director shall be appointed by the GSA Administrator. In selecting the FAI Director (or, when necessary, an Acting FAI Director), the GSA Administrator shall consult with the OFPP Administrator, whose concurrence is needed for the appointment.⁶

2. **Management of the FAI Director** - OFPP will provide strategic direction to GSA and FAI, and GSA shall direct the day-to-day activities of the FAI Director. The GSA Administrator and GSA’s Associate Administrator for Governmentwide Policy shall consult with the OFPP Administrator and obtain his/her concurrence in the performance planning and annual evaluation of the FAI Director. The OFPP Administrator shall meet as needed with the FAI Director in order to discuss FAI’s efforts to support OFPP’s acquisition workforce policies and initiatives.⁷

B. Development and Management of Resources

1. **FAI’s Appropriated Budget** - In coordination with the FAI Director, the FAI BoD shall recommend to the GSA Administrator and the OFPP Administrator an annual budget for FAI.⁸ The OFPP Administrator will work with the GSA Administrator and Associate Administrator for Governmentwide Policy, as well as OMB’s Resource Management Office (RMO), to have the FAI’s funding included in the GSA budget.

2. **Acquisition Workforce Training Fund (AWTF)**
   i. GSA is responsible for collecting, managing, and distributing the AWTF in accordance with statute.⁹
   ii. The FAI Director is responsible for developing an annual spend plan for these funds. In developing this spend plan, the FAI Director shall work closely with OFPP’s Associate Administrator for Acquisition Workforce Programs and also consult with the FAI BoD and other stakeholders.¹⁰ The FAI BoD is responsible for approving the annual

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⁹ 41 U.S.C. § 1703(i)(2).
spend plan, any subsequent changes to the spend plan, and for periodically assessing FAI’s management of these funds. ¹¹

iii. OFPP’s Associate Administrator for Acquisition Workforce Programs is responsible for supervising the AWTF and collaborating with FAI in the development of an annual spend plan for these funds. ¹² The Associate Administrator for Acquisition Workforce Programs will work with the FAI Director, GSA Associate Administrator for Governmentwide Policy and the OMB RMO for GSA if any changes are required regarding the use of the AWTF.

C. Direction of Work

1. The FAI Director shall prepare an annual strategic plan in consultation with the Interagency Acquisition Career Management Committee (IACMC), the Chief Acquisition Officers Council (CAOC), the FAI BoD, and other stakeholders. This strategic plan shall detail how FAI plans to successfully meet the needs of the civilian acquisition workforce and accomplish the FAI’s 12 statutory responsibilities as outlined in 41 U.S.C. § 1201(a). This plan shall be approved by the OFPP Administrator. FAI shall prepare an annual report that outlines FAI’s implementation of its strategic plan.

2. Acting on behalf of the OFPP Administrator, OFPP’s Associate Administrator of Acquisition Workforce Programs shall be responsible for providing strategic direction and general guidance to the FAI Director and team to ensure successful execution of the strategic plan and budget execution.

3. The Associate Administrator of Acquisition Workforce Programs shall be OFPP’s primary point of contact with FAI to coordinate OFPP’s workforce program requirements.

4. No less than quarterly and more often if needed, OFPP shall chair the FAI BoD meeting to require that the FAI report their activities to ensure that all parties are meeting their statutory responsibilities.

IV. Performance Reviews:

A. Metrics - Based on the approved strategic plan and spend plan, the FAI Director will develop annually, in consultation with the OFPP Associate Administrator for Acquisition Workforce Programs and the GSA Associate Administrator for Governmentwide Policy, a set of performance metrics using key measures that

¹¹ 41 U.S.C. § 1201(c).
¹² 41 U.S.C. § 1704(b)(1). Supervising the AWTF includes ensuring, through periodic meetings with and reports from GSA staff, that the programs and training fund address FAI’s statutory responsibilities, meet the challenges of the civilian agency acquisition workforce, and are the appropriate and most effective use of these funds. It also includes assessing FAI’s management of these funds through these periodic reports.
are linked to FAI’s success or failure in executing its strategy. The metrics will reflect relevant business and customer satisfaction information to allow GSA, OMB and the FAI BoD to assess the FAI Director’s management of the AWTF, identify trends in customer satisfaction, and evaluate FAI’s effectiveness in meeting its statutory responsibilities and the needs of the civilian agency acquisition workforce. The performance metrics will be provided quarterly to OFPP and the BoD.

B. Annual Performance Review

1. Using the quarterly performance metrics reported by the FAI Director as well as input obtained from –
   - the agency Chief Acquisition Officers and/or Senior Procurement Executives,
   - the FAI BoD, and
   - other civilian agency acquisition workforce stakeholders,

GSA’s Associate Administrator for Governmentwide Policy shall conduct and provide an annual performance evaluation of FAI to the FAI Director and the OFPP Associate Administrator for Acquisition Workforce Programs. This evaluation will take place in the first quarter of each fiscal year, shall be conducted in consultation with OMB (OFPP and OMB’s RMO for GSA), and shall inform FAI’s strategic planning process.

2. After this annual review and after receiving input from GSA, FAI, and the OMB RMO, the OFPP Administrator will submit an annual report to Congress on the projected budget needs and expense plans of FAI to fulfill its mandate.\(^\text{13}\)

V. Amendments and Termination:

This Agreement shall continue in effect until amended or terminated. The Agreement may be amended or terminated by the two parties (OFPP and GSA) through the mutual written agreement of their Administrators.

\(^{13}\) 41 USC § 1201(e).
VI. Approvals:

Dan Tangherlini  
Acting Administrator  
General Services  

March 7, 2013  
Date

Joseph G. Jordan  
Administrator, Federal Procurement Policy  
Office of Management and Budget  

3/20/2013  
Date
APPENDIX A – Roles and Responsibilities

POLICY AND GOVERNANCE

RESPONSIBILITIES:

➤ OFPP:14:
1. Consult with heads of agencies in the establishment of policies and procedures for the effective management of the acquisition workforce.
2. Ensure the collection and maintenance of standard information on the acquisition workforce.
3. Provide for and direct the activities of the Federal Acquisition Institute established under 41 U.S.C. § 1201, through the delegation described in this agreement.
4. Supervise the Acquisition Workforce Training Fund (AWTF) established under 41 U.S.C. § 1703().*
5. Provide strategic direction to FAI and oversight to ensure successful execution of its statutory responsibilities.*
6. Appoint members of the FAI Board of Directors (BoD).
7. Perform strategic human capital planning for the acquisition workforce in coordination with Chief Acquisition Officers, Chief Human Capital Officers, and other stakeholders.
8. Develop programs, policies, and practices to increase the quantity and quality of the Federal acquisition workforce.*
9. Establish qualification requirements for members of the acquisition workforce.*
10. Review and provide input to individual agency acquisition workforce succession plans.*

➤ GSA:
1. Appoint the FAI Director (or Acting Director) in consultation with, and with the concurrence of, OFPP.
2. Obtain the concurrence of the Administrator of OFPP on the performance plan and GSA’s annual performance appraisal (and, as applicable, performance award) for the FAI Director.
3. Manage the day-to-day operations of the FAI, including conducting and providing an annual performance evaluation of FAI to the FAI Director and the OFPP Associate Administrator for Acquisition Workforce Programs.
4. Collect and manage the Acquisition Workforce Training Fund (AWTF) to be used by FAI in accomplishing its 12 statutory responsibilities as outlined in 41 U.S.C. § 1201(a).
5. Ensure the AWTF is used for the intended purpose.
6. Consult with OFPP in managing the AWTF.
7. Provide the AWTF spend plan report to OFPP and the FAI BoD.
8. Ensure that FAI develops and implements acquisition workforce initiatives that address the FAI’s 12 statutory responsibilities as outlined in 41 U.S.C. § 1201(a).

14 Specific responsibilities of OFPP’s Associate Administrator for Acquisition Workforce Programs are marked with an asterisk.
9. Consult with the Administrator of OFPP and the FAI BoD in evaluating FAI's success in meeting its statutory responsibilities.

FAI Board of Directors (BoD):
1. Review and approve FAI's annual spend plan.
2. Through the Board's knowledge of the challenges of the Federal acquisition workforce and FAI's strategic initiatives, ensures FAI meets the needs of the Federal acquisition workforce. Oversee FAI's implementation of approved programs.
3. Facilitate, with GSA and OFPP, FAI's coordination with appropriate organizations and groups that have impact on the Federal acquisition workforce (e.g., Chief Acquisition Officers Council, Chief Human Capital Officers Council).

FAI:
1. Consult within GSA and with OFPP and identified stakeholders on acquisition workforce human capital programs and training/developmental needs.
2. Prepare the draft of a strategic plan for FAI to successfully meet the needs of the civilian acquisition workforce and accomplish FAI's 12 statutory responsibilities as outlined in 41 U.S.C. § 1201(a).
3. In consultation with the Administrator of GSA, prepare the draft of an annual spend plan demonstrating resource allocation to accomplish the FAI's 12 statutory responsibilities as outlined in 41 U.S.C. § 1201(a) and submit the draft to the Administrator of OFPP through GSA and the FAI BoD (which shall provide their input to the OFPP Administrator regarding the plan).
4. Annually prepare a report for submission to the Administrator of OFPP - through GSA and the FAI Board - based upon the strategic plan and annual spend plan.
5. Chair/Co-Chair interagency groups - to obtain input and buy-in from stakeholders on human capital programs, policies, training and certification program development - that will include, but not be limited to, the Interagency Acquisition Career Managers Council (IACMC), the Functional Advisory Boards (FABs), and the Federal Acquisition Coalition for Training (FACT).
6. Develop tools and technologies for the standardization and consolidation of data to reduce duplication across the civilian Federal Government (e.g., Federal Acquisition Institute Training Application (FAITAS) and fai.gov applications, communities of practice, and database).
7. Develop programs and initiatives through the strategic plan for FAI to meet its 12 statutory responsibilities as outlined in 41 U.S.C. § 1201(a) as outlined below:
   a. foster and promote the development of a professional acquisition workforce Government-wide;
   b. promote and coordinate Government-wide research and studies to improve the procurement process and the laws, policies, methods, regulations, procedures, and forms relating to acquisition by the executive agencies;
   c. collect and analyze acquisition workforce data from the Office of Personnel Management (OPM), the heads of executive agencies, and, through periodic surveys, from individual employees;
d. periodically analyze acquisition career fields to identify critical competencies, duties, tasks, and related academic prerequisites, skills, and knowledge;

e. coordinate and assist agencies in identifying and recruiting highly qualified candidates for acquisition fields;

f. develop instructional materials for acquisition personnel in coordination with private and public acquisition colleges and training facilities;

g. evaluate the effectiveness of training and career development programs for acquisition personnel;

h. promote the establishment and utilization of academic programs by colleges and universities in acquisition fields;

i. facilitate, to the extent requested by agencies, interagency intern and training programs;

j. collaborate with other civilian agency acquisition training programs to leverage training supporting all members of the civilian agency acquisition workforce;

k. assist civilian agencies with their acquisition human capital planning efforts; and

l. perform other career management or research functions as directed by the Administrator of OFPP.
Appendix B - Charter of the Federal Acquisition Institute Board of Directors

I. Purpose:

The Administrator for Federal Procurement Policy has established the Federal Acquisition Institute (FAI) Board of Directors (BoD)\(^5\) to work with the Office of Federal Procurement Policy (OFPP) in providing general direction to FAI and to ensure FAI has a strategic plan in place to successfully achieve its statutory requirements and meet the challenges of the civilian agencies acquisition workforce.

II. Roles and Responsibilities:

1. The FAI BoD shall advise GSA and OFPP with respect to OFPP approval of FAI's strategic plan.

2. The FAI BoD shall engage in general oversight of FAI's activities and shall provide its views to the FAI Director, the GSA Administrator with respect to the following topics:

   A. FAI meeting its statutory requirements;
   B. FAI meeting the needs of the civilian agencies' acquisition workforce;
   C. FAI's coordination with appropriate organizations and groups that have an impact on the Federal acquisition workforce (e.g., the Chief Acquisition Officers Council and the Chief Human Capital Officers Council);
   D. FAI works with the Defense Acquisition University to leverage resources and increase efficiencies; and
   E. FAI's development and implementation of programs and plans to meet current needs and future challenges of the civilian agency Federal acquisition workforce.

III. Membership:

A. The Chairperson shall be OFPP's Associate Administrator for Acquisition Workforce Programs. At his/her discretion, the chairperson may designate a Senior Procurement Executive from one of the Chief Financial Officers (CFO) Act agencies as co-chair.

B. The OFPP Administrator shall solicit and appoint members to the BoD. The Board shall have no more than eight voting members, excluding the Chairperson. Membership on the Board shall include senior level representatives from Federal agencies in various disciplines, such as procurement, program management and human capital. The term of membership shall be two years. Members may serve consecutive terms to ensure continuity. Four of the members shall come from large acquisition agencies, two from mid-size agencies, and two from small agencies to ensure a broad representation of the acquisition community. A representative of the

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Defense Acquisition University will serve as an ex-officio member. Other ex-officio members may be added as necessary.

IV. Working Groups:

The Chairperson may form working groups to examine specific areas of interest as appropriate. These working groups will coordinate with FAI and report their findings and recommendations to the BoD, the GSA Administrator and the OFPP Administrator.
Appendix C - A copy of the letter that the Administrator for Federal Procurement Policy sent to the relevant Committees expressing the intention to delegate the management of FAI to GSA
The Honorable Joseph I. Lieberman
Chairman
Committee on Homeland Security
and Governmental Affairs
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

The Office of Federal Procurement Policy (OFPP) considers the strengthening of the Federal acquisition workforce one of its top priorities and appreciates that two recent bills express commitment to this important workforce. The Federal Acquisition Institute (FAI) Improvement Act (S. 762), which was introduced by Senator Collins, and its companion bill which was introduced by Congressman Connolly (and is now section 849 of the House National Defense Authorization Act (H.R. 1540)), both propose measures that are intended to improve the management of FAI. Accordingly, we are writing to communicate OFPP’s views regarding the legislation, including OFPP’s plan for how it would implement the legislation if it were enacted in its current form.¹

OFPP strongly supports efforts to improve the training and development of acquisition professionals and to improve the management of FAI. OFPP’s Associate Administrator for Acquisition Workforce Programs, the General Services Administration’s (GSA) Associate Administrator for the Office of Governmentwide Policy, and the FAI Director - all of whom are new to their roles within the last 15 months - have made significant strides in improving FAI and its delivery and development of acquisition training and human capital initiatives. For example, FAI now offers training to help contracting professionals immediately understand changes to the acquisition regulations and hosts regular learning seminars on key issues. FAI also launched a new training registration system that will greatly improve how acquisition professionals manage their career development efforts and will allow us to better leverage agencies’ training resources. And most recently, FAI has taken steps to initiate a training consortium board to help agencies leverage curricula development across the civilian agencies.

FAI, GSA and OFPP are making continuous management improvements as well. The FAI Board of Directors helps me, as the OFPP Administrator, ensure that FAI is responsive to all agencies’ concerns and helps prioritize its activities and resources. We partner closely with the Defense Acquisition University (DAU) to leverage their experience and have significantly

¹Although S. 762 is not currently included in the Senate version of the NDAA, we understand that it could be included as an amendment.
improved our communications with the agency Acquisition Career Managers to make sure that FAI is meeting the workforce's needs.

We appreciate the underlying intent of this bill, which is to improve the management of the FAI. However, we believe that this legislation is not necessary in order to improve FAI's management and, moreover, we believe that the legislation would make changes to FAI that would not advance the goal of improving its management and that would be inconsistent with OFPP's mission, resources, and expertise.

For nearly 30 years, GSA has operated and managed FAI, which is a part of GSA. GSA has been an effective partner with OFPP (which provides policy oversight and broad direction for FAI) in supporting the development of the acquisition workforce and implementing OFPP's workforce policies. However, the pending legislation would make changes to FAI's management structure that would adversely affect the operations of FAI. First, the bills establish a direct management relationship between the FAI Director and the OFPP Administrator by requiring that OFPP appoint the FAI Director and, further, that the FAI Director report to OFPP. Second, the bills would repeal the provision of the OFPP Act that makes clear that FAI is located within GSA. These legislative revisions would fundamentally alter OFPP's longstanding role, by vesting in OFPP — rather than GSA — the responsibility to manage FAI's operations on a daily basis. This day-to-day operational responsibility for the management of a training institute is not consistent with the mission, resources, and expertise of OFPP. As a policy office in the Executive Office of the President, OFPP is not well positioned to assume such a day-to-day operational responsibility for FAI's management. As a result, in providing for the transfer of this responsibility from GSA to OFPP, the legislation would not further its goal of improving FAI's management but, to the contrary, would have the opposite effect.

We note that the report language for S. 762\(^2\) makes clear that the bill does not diminish the OFPP Administrator's authority under section 1122(c)(2) of the OFPP Act to transfer or delegate certain functions, such as the management of FAI. However, the direct reporting relationship that the legislation would establish, between FAI and OFPP, and the legislation's repeal of the existing provision that places FAI within GSA, have raised questions about whether OFPP would delegate to another agency (such as GSA) the responsibility for the day-to-day management of FAI's operations.

In order to provide clarity, we would like to share our plans for how OFPP would implement the pending legislation if it were enacted into law in its current form. Because we believe that GSA, not OFPP, is in the best position to provide day-to-day management of FAI's operations, OFPP's intention would be to exercise its authority under section 1122(c)(2) to delegate back to GSA the daily operations and management of FAI, including the appointment and direction of the FAI Director. We feel this role is best performed by GSA, in light of GSA's experience in managing FAI as well as GSA's other operational responsibilities and its overall mission, resources, and

expertise. In addition, as we have noted, OFPP is not in a position to assume a day-to-day operational responsibility for FAI’s management.

As our implementation plan indicates, we believe that the key to strengthening FAI is not the enactment of legislation that makes fundamental changes to FAI’s management. Instead, the key to strengthening FAI is a heightened focus on making further management improvements within the existing statutory framework. To that end, and in order to strengthen OFPP’s oversight role and further improve FAI, OFPP and GSA are actively developing a service level agreement that further clarifies each organization’s roles and responsibilities and requires, at a minimum, that:

- FAI develop an annual strategic plan and performance metrics,
- FAI provide quarterly program reviews to OFPP and GSA leadership, and
- OFPP and GSA formally evaluate FAI’s performance at least annually.

This service level agreement and our ongoing oversight efforts through the FAI Board of Directors will help FAI fulfill its mission of effectively and efficiently promoting the professional development of the federal civilian acquisition workforce.

We would be pleased to provide you and your staff further information or meet with you if that would be helpful, and we look forward to working with you as we continue our shared efforts to support acquisition professionals.

Sincerely,

[Signature]
Daniel I. Gordon
Administrator
Identical Letter Sent to:

The Honorable Joseph I. Lieberman
The Honorable Susan M. Collins
The Honorable Adam Smith
The Honorable Howard P. "Buck" McKeon
The Honorable Carl Levin
The Honorable John McCain
The Honorable Darrell E. Issa
The Honorable Elijah Cummings