

**Public
Innovation
and
Political
Incentives**

*The Innovations in
American Government Program*

*John F. Kennedy
School of Government
Harvard University*

by Alan A. Altshuler

Implementing Federal Procurement Reform

by Steven Kelman

This is the fourth paper in a series dedicated to understanding innovation in public problem solving. Since 1986, the Ford Foundation has supported the Innovations in American Government Program at Harvard University's John F. Kennedy School of Government. Housed in the Taubman Center for State and Local Government, the Innovations Program administers an annual Innovations awards competition, which selects ten winners from approximately 1500 applications annually, as well as research and casewriting based on the applicants and winners. The Innovations in American Government Program also works in partnership with the Council for Excellence in Government.

SPRING 1998

Implementing Federal Procurement Reform

Steven Kelman

The effort to reinvent the federal procurement system is widely regarded by outside observers as having undergone significant reform. In a 1996 article in Business Week, the Vice President for Contracts of the Defense and Space Group of the Boeing Corporation said, "I've seen more progress in the past two years than my previous 32." An article in early 1996 in the Financial Times regarding the U.S. government's innovative use of credit cards to pay for low-value everyday purchases (where the administrative costs of executing the purchase sometimes are greater than the value of the item being bought), stated that the American government had "pioneered the use of credit cards issues to staff members to...dramatically cut the cost of procurement" and referred to the innovation as "a lead that US corporations are rapidly following"—surely one of the few times a business publication has praised government for taking the lead on a new management practice!² Purchasing, a publication for private-sector, non-government purchasing professionals, has written that "25 years after creation of the first commission on waste in government buying, there is evidence of some significant change in the way (the U.S. government) buys." And Michael Dell, founder and CEO of Dell Computers has said, "With recent reforms in procurement, the federal government has moved from technology laggard to technology leader"⁴

*Steven Kelman is a Professor of Public Management at Harvard University's John F. Kennedy School of Government. From 1993 to 1997, he was administrator at the Office of Federal Procurement Policy at the U.S. Office of Management and Budget. One of the more promising trends in government reform, which we have seen in applications to the Innovations in American Government program, and which is occurring across all levels of government, has to do with new practices in procurement. In his position, Professor Kelman played key roles in federal reforms that have occurred in the past five years. When he returned to the Kennedy School in the fall, we asked him, as a student and teacher of public management, to reflect on the new policies and their implementation for the Innovations in American Government Occasional Paper series. A version of this paper will also appear in *The Managerial Presidency*, (James Pfiffner, editor) to be published in 1999.*

This paper presents an account of successful innovation in government procurement—the way the federal government buys goods and services from the private sector for government use—initiated and pursued by the White House during the Clinton Administration.

The success of White House-initiated change efforts here is surprising on a number of accounts. It is surprising first of all because the idea that there might be sustained White House interest in an area of the operational management of the executive branch is hard to imagine. Presidents may manage in the strategic sense of laying out a vision and seeking the political support

and broad organizational capacity necessary to realize the vision.⁵ They generally seek to manage executive branch departments to increase their ability to influence the policy performance or the political decisions emerging from those departments. Whether consciously or not, they inevitably manage the organization of the Executive Office of the President. And they periodically show interest in broad legislative or executive branch organizational reform initiatives, at least for brief, spasmodic periods.⁶ But it is almost a truism that presidents spend little or no time and energy, not to speak of sustained interest, in the specifics of what

people in Washington call “management,” that is the operational performance of executive-branch organizations. Second, government procurement is a traditional area of congressional policy interest, so major reform efforts needed to involve Congress as well as the executive branch.

In July 1993 I went on leave from a position as Professor of Public Management at Harvard University, John F. Kennedy School of Government, when President Clinton nominated me to the Senate-confirmed position as Administrator of the Office of Federal Procurement Policy (OFPP). This is a 20-person office that is part of the Office of Management and Budget in the Executive Office of the President. OFPP was established by Congress in 1974 to assume overall responsibility for development of executive-branch procurement regulations and for formulation of the views of the Administration on procurement legislation. OFPP does not itself buy anything for the government; actual purchasing is done by departments who need the goods and services being bought (as well as by the General Services Administration, that buys items used by many different organizations, such as office supplies, automobiles for government use, or airline tickets).

Government Procurement

Government procurement seems to be an arcane topic to many. In fact, however, approximately \$200 billion a year, 15% of the federal government’s budget, consists of goods and services purchased from the private sector. Even more noteworthy, government procurement accounts for about 40% of the discretionary budget, after excluding entitlements and debt service. Some of what the government buys is goods and services needed to run everyday operations — office supplies, cleaning services for federal buildings, telephone service, package delivery services, or food for soldiers. Some is goods and services essential to the operating missions of government organizations — military equipment for the Department of Defense, computer systems that control air traffic or run the tax

collection and social security systems, or weather forecasting equipment for the National Weather Service. With increased attention to contracting out non-core government functions, procurement becomes a more important topic, since contracting out is accomplished through procurement, and the effectiveness of contracting out as a strategy will depend in significant measure on how well the procurement system does its job.

Finally, the procurement system is important because, for many Americans, it became during the 1980’s a symbol for what was wrong with the management of the public sector. During the military buildup under the Reagan Administration, various “horror stories” suggesting that the government dramatically overpaid for a number of common, easy-to-understand items used by the Department of Defense received extraordinarily wide publicity. It was alleged, for example, that the government paid \$91 for a simple screw that would cost 3 cents in a hardware store, or \$600 for a \$6 hammer. In fact, these stories were erroneous.⁷ Nonetheless, they became unusually widely known (because they were easy to understand) and widely believed (because they corresponded with people’s intuitions about public management). Improving government procurement might thus serve as a metaphor for improvements in the management of the public sector, just as the \$600 hammer had served in the 1980’s and since as a metaphor for the problems of public management.

History, in overview, will likely show that reforms in the procurement process for the federal government occurred because of a confluence of support from above (both from Congress and the initiatives that flowed from the Reinventing Government efforts of the Clinton Administration) in alliance with pro-reform civil servants, who played key roles in the implementation of the policies.

During the Clinton first term, Congress passed two pieces of procurement reform legislation, the Federal Acquisition Streamlining Act of 1994 and the Federal Acquisition Reform Act of 1995, the latter passed with Administration support by the Republican-controlled

Congress that emerged from the 1994 congressional elections, one of the few examples of bipartisan legislation passed during the 1995 session of the Congress. These laws removed rules applying both to government officials and to contractors and moved the government procurement system closer to a commercial model. In 1997, portions of the Federal Acquisition Regulation were rewritten in the same spirit.

“Reinventing Government” was part of the successful presidential campaign of Bill Clinton in 1992. Clinton got the phrase from the title of a 1992 best-selling book by David Osborne and Ted Gaebler, who in turn had borrowed it from the phrase “reinventing the corporation” that had become common in management consulting during the late 1980’s.⁸ The political thrust of “reinventing government” was to assist Clinton’s self-identification as a “New Democrat.” He neither wanted to eliminate government, like conservative Republicans, nor retain the old reliance on bureaucratic governmental institutions, like traditional Democrats.

Thus, in March 1993 Clinton created the “National Performance Review” (NPR), a phrase taken from a similar effort in Texas state government, to examine within six months the operations of the federal government and make suggestions for changes, on the principles of the Osborne and Gaebler book. Vice President Al Gore was placed in charge of this effort. With much fanfare, Gore organized a series of “town meetings” with government employees to get their suggestions for change, and career government officials were placed in charge of making suggestions for changes in their own agencies. Gore specifically noted that this approach contrasted with earlier studies of “waste in government” where outsiders came in and, implicitly or explicitly, attacked federal civil servants as the source of the problems in public management. Gore, instead, stated that he believed the problem was that “good people” were trapped in “bad systems”—and that the management system needed to be changed.

In September 1993 Gore published the report of the National Performance Review, called From Red Tape to

Results: Creating a Government That Works Better and Costs Less (henceforth the “Gore Report”).⁹ The Gore Report was divided into four sections—cutting red tape, putting customers first, empowering employees to get results, and cutting back to basics. Part of chapter one of the Gore Report, on cutting red tape, was devoted to streamlining procurement, and the report contained twenty specific recommendations under this rubric.

In its approach, the Gore Report associated itself with the “discretion” side of the traditional debate within organizational theory about “rules” versus “discretion.”¹⁰ The report’s introduction stated:

Is government inherently incompetent? Absolutely not. Are federal agencies filled with incompetent people? No. The problem is much deeper: Washington is filled with organizations designed for an environment that no longer exists....

From the 1930s through the 1960s, we built large, top-down, centralized bureaucracies...patterned after the corporate structures of the age: hierarchical bureaucracies in which tasks were broken into simple parts...each defined by specific rules and regulations. With their rigid preoccupation with standard operating procedure, their vertical chains of command, and their standardized services, these bureaucracies were steady—but slow and cumbersome. And in today’s world of rapid change, lightning-quick information technologies, tough global competition, and demanding customers, large, top-down bureaucracies—public or private—don’t work very well....

Effective, entrepreneurial governments cast aside red tape, shifting from systems in which people are accountable for following rules to systems in which they are accountable for achieving results. ...They strip away unnecessary layers of regulation that stifle innovation.¹¹

My mandate was to use OFPP to take responsibility for the Administration’s reinventing government program as it affected procurement. I was selected for this job based on my interest in the improved management

of the public sector and my previous research on government procurement. In 1990 I had published a book called *Procurement and Public Management: The Fear of Discretion and the Quality of Public Performance*, which was highly critical of the existing system of government purchasing.¹²

Although the personal involvement of the Vice President gave the Gore Report more visibility than studies such as those of the Hoover Commissions or the Reagan-era Grace Commission, there was every reason to believe as of September 1993 that, as in past instances, White House interest would be fleeting, resistance among executive-branch departments great, and the final results flimsy.

The Pre-Reform System

The pre-reform system was dominated by bureaucratic rules regulating the procurement process. Many of these rules arose from distrust of participants in the system, both the government employees who were buying and the companies who were selling. Left to their own devices, it was believed that government officials would show favoritism (or even corruption) and not treat potential suppliers fairly. It was also believed that, left to their own devices, suppliers would cheat the government.

My own research had focused on the bureaucratic rules dominating the source selection process for major contracts, that is, the process by which the government makes decisions about whom to buy from. The rules established an elaborate set of procedures to assure that no potential contractor was treated unfairly. Typically, these rules were oriented towards emphasizing identical treatment of bidders and minimizing the exercise of judgment in government officials' award decisions. One impact of these procedures was to make the source selection process extremely lengthy and expensive; it was not unusual for a major source selection for an information technology procurement to take several years. A second impact, even more serious, was that it interfered with the government's ability to choose the

supplier most appropriate for the job. For example, as I noted in my research, the view within the system was that it was "unfair" to take account of a suppliers' past performance on earlier contracts when making new contract awards, because such decisions ran the risk of being too subjective. Such a strange practice produced, of course, poor incentives for good contract performance and often led to selection of an inferior supplier over a better one. The reliance on rote evaluation of lengthy written proposals also frequently led to selection of a supplier based on their abilities at proposal writing rather than at accomplishment.

A second feature of the traditional system that was driven in significant measure by a bureaucratic concept of "fairness" was the government's frequent use of specially designed government product specifications (in the Defense Department environment often called "military specifications" or "milspecs") to establish the features of what the government would buy. The idea was that if firms were simply given a general description of what the government wanted (say, socks for soldiers), that it would give an unfair advantage to producers of brand-name off-the-shelf commercial products, and create a potential for unequal evaluation. Instead, the government developed its own specification for, say, socks, so that everyone was bidding to the same set of demands. However, there usually ended up being something in the specification that ordinary commercial products couldn't meet, so the odd result of this system was that only companies bidding to the government's specification, producing a product not even offered to the commercial marketplace, were able to meet the specification. This produced an enormous price and quality penalty for items bought this way.

The traditional idea was that these rules for selecting suppliers were enforced by government contracting professionals, who were experts on the regulatory requirements and guardians of the system against favoritism. The main source of potential favoritism was seen as the government end-users for the products or services being bought. For this reason, end-users were not

allowed to buy anything directly but had to go through their procurement offices so that it could be assured that the rules were followed.

A second broad area of rules, on which my own research had not focused but which had been a significant area of concern among many suppliers to the government, were those designed to assure that firms selling to the government did not cheat. These included requirements in many situations to develop detailed data about a company's production costs, submitted to the government to help it negotiate a good price, and special inspection and quality procedures that differed from those normally used in the commercial marketplace. Often, compliance with these requirements was enforced by civil or even criminal fines. These special government requirements added to companies' costs of supplying the government (and hence to the prices government paid). They also discouraged many commercial companies from even being willing to do business with the U.S. government, leaving a disproportionate amount of government contracting in the hands of firms, or divisions of firms, that specialized in doing government business only. By reducing competition and increasing firms' costs (since government-only firms or government-only divisions of other firms might have uneconomically low production runs), these rules also increased the government's costs.

The Process of Change

When I took the job as Administrator of OFPP, I perceived three major, daunting obstacles to achieving change:

(1) Congress: There were few members of Congress interested in procurement issues, but they dominated procurement policymaking. And most appeared to be firmly committed to the status quo. Members interested in procurement were generally on the Governmental Affairs Committee of the Senate and the Government Operations Committee of the House, the committees with legislative and oversight responsibility for government management. The existing system had been put in

place through laws coming out of these committees, such as the Competition in Contracting Act of 1984. Some members appeared to have strong ideological beliefs supporting the existing system of bureaucratized competition and an orientation to basing procurement policy on "horror stories" of corruption or collusion. They also had a distrust of government suppliers (as part of a general ideological distrust of business). All this was particularly the case for the long-time Chair of the House Government Operations Committee, Congressman Jack Brooks, who played a crucial role in overseeing procurement policy in the executive branch. Brooks was obsessed by worries that "monopolies" such as IBM would dominate government procurement unless strict rules prevented the government from showing "favoritism" to them. Brooks had left the Government Operations Committee in 1991 to become Chair of the Judiciary Committee, but his successor promised Brooks to stay faithful to his tradition, and many of the staffers who had worked for the Committee under Brooks remained in place. In addition, the rule-bound structure of the existing procurement system included many laws directing procurement dollars to small and minority-owned businesses, and some Democrats on these committees were strong supporters of such programs as well.

There were also some members of Congress, particularly on the House and Senate Armed Services committees, interested in changes in the traditional system. But these committees did not have primary jurisdiction over procurement, and the prospects for gaining congressional support seemed dim.

(2) Career Procurement Officials in the Departments: Each department has career officials whose expertise is procurement. They are trained in knowledge of the procurement regulations. Traditionally, contracting professionals worked in separate procurement organizations. My research had suggested that most career procurement officials saw their role mostly as guardians of the regulations, that they seemed to relish this role, and that they generally viewed end-users with suspicion, as people who needed to be watched over lest they violate the regulations and behave illegally.¹³

Implementing Federal Procurement Reform

Furthermore, an enormous literature suggests that all organizations typically resist change. I assumed that the career contracting workforce would resist change – and that they would react unfavorably to a non-procurement outsider, especially an academic, coming in trying to suggest to them how to improve the system they ran.

(3) Lack of White House Leverage: The federal procurement system is enormous in scope. There are over 20 million purchasing actions a year in every department of the government. Neither the Vice President nor I had responsibility for buying anything ourselves. I would have a staff of about 20. The challenge of locating leverage points over such a large and decentralized system seemed very daunting. As a management professor, I was of course familiar with the literature, starting with the classic book Implementation by Jeffrey Pressman and Aaron Wildavsky, suggesting how common it was for grand programs to be announced at the top and then to turn to dust in the everyday reality of organizational operations.¹⁴ And, although I knew my organization would have some considerable influence over the content of procurement regulations, I was skeptical that regulatory changes by themselves would bring about changes in behavior.

Developing a Strategy for Change

I spent a good deal of time between being told I would be selected for the job (in June 1993) and when I arrived in Washington (in September 1993) thinking about a basic strategy and approach. My initial strategy was informed by features of what I had taught or read about as a professor of public management:

(1) Focus on the procuring organizations more than on Congress: This was a subversive idea for a political appointee in Washington, where success has traditionally been measured in terms of laws passed, not lower-visibility activities inside the bureaucracy. But my training in the problematical nature of implementation led me to believe that changes in law would play only a secondary role in determining whether the

procurement system actually got any better. In addition, while I felt that organizational change would be very difficult, it would be no more difficult than the brick wall I believed I was likely to face in Congress, and it at least had the virtue of being an area that was personally interesting to me as a management professor.

(2) Try to achieve some early success in the procuring organizations: Success builds on success, I believed. If, somehow, a successful change could be accomplished early on within the procuring organizations, it might be possible to use that as an inspiration for other changes. But it had to be something that could gain visibility, within the procurement community at least. One way to gain such visibility was for a change to be pursued simultaneously among a large number of procuring organizations, as a common project of senior career procurement managers across government, hopefully in some way through the efforts of OFPP. Such a joint effort would also focus at least some attention on OFPP as an organizer of improvement efforts, which would in turn augment OFPP's standing to push other innovations. However, I was not at all confident that such a simultaneous change effort would be possible. I thought I would try to convene the agency procurement executives – the senior career officials in charge of procurement in each cabinet department for a one- or two-day meeting to brainstorm possible ideas for a joint initiative that did not require legislative change, and to conclude the meeting by reaching agreement on one or two that they would commit themselves to pursue jointly. I had a list of possible ideas — high on the list was increased use of supplier past performance in the source selection process, the major theme of my book on government procurement — that I hoped might gingerly be injected into the list of ideas for consideration. But I thought there was a significant chance that procurement executives simply would show no interest in even showing up for such a meeting, or for the idea that anything needed to be changed, so I concluded that it was more important that the procurement executives agreed on some joint improvement initiative than on what the actual content of

the initiative might be.

(3) My rhetorical theme would be “anti-bureaucracy”: I knew that political debate often turns around efforts by advocates of different viewpoints to emphasize to those they seek to persuade that aspect of their viewpoint (or, to use the phrase of Richard E. Neustadt, the “face of the issue”) that is the most broadly attractive.¹⁵ For procurement reform, that face was opposition to bureaucracy. I was determined to employ the adjective “bureaucratic” to descriptions of the current system, as with phrases such as “bureaucratized version of competition” or “bureaucratic source selection process.” The positive rhetorical image I wanted to emphasize was “commercial practice” — the idea that the government’s procurement methods should become more like those used by the most successful business enterprises.

The position to which I had been appointed required that I be confirmed by the U.S. Senate. The confirmation process generally takes several months (in my case, it lasted from September through Thanksgiving 1993. Once the President announced that I would be nominated for my position, I could begin to work (as a “consultant”), but I could not formally assume the job. These several months allowed me to sit in on meetings without the responsibility for making decisions (or even being required to talk, though I was allowed to) and for getting to know people I would be working with, not only inside OFPP but, especially, in the procuring agencies (and in Congress).

Successful organizations, and individuals, I had taught in my management classes, don’t understand, or have a strategy for dealing with, everything in advance; they work, however, at being attentive to signals from the environment and adapting their behavior, in pursuit of their overall goals, in light of what they learn.¹⁶ My several-month apprenticeship in the fall of 1993 taught me a great deal that turned out to be crucial to the strategy I would follow on my job:

(1) The Vice President’s National Performance Review was for real: One of the first things I became involved

with after the President had announced his intention to nominate me, but even before I arrived in Washington, was the procurement material in the Gore Report that was still in the process of being written. As it turned out, procurement had been a very-frequently mentioned topic in the Vice President’s town meetings in federal agencies. It got raised mostly by federal employees whose association with the procurement system was incidental to doing their jobs — by people whose offices had everyday needs for office supplies, simple services, or personal computers. They complained that it took too long to get them what they needed and that what slowed things down was that they had to make their requests through their agency procurement offices rather than simply being trusted to buy what they needed themselves. The problem with procurement, phrased that way, fit in very well with the general NPR theme that the control of centralized staffs, enforcing bureaucratic rules, needed to be reduced in favor of empowering line managers to make decisions, and holding them responsible for results. Partly as a result of those town meetings, procurement was to be featured both in the overall Gore Report and in a separate set of procurement recommendations then being developed, with the participation of OFPP staff. Then, the week in September when the NPR report appeared, Vice President Gore appeared on David Letterman to make fun of a government procurement specification for an ashtray that required that the glass break into no more than a certain number of pieces when hit with a hammer. (On national television, Gore took out one of the ashtrays and a hammer, put on safety glasses, and proceeded to smash the ashtray.) A few days later, Gore visited a warehouse stocking purchased supplies to make the point that the government should use commercial distribution systems instead of warehouses run by central procuring agencies. On arriving, I immediately began attending marathon meetings in the New Executive Office Building, across from the White House, to craft an Administration NPR procurement reform legislative package.

Implementing Federal Procurement Reform

And in late October, President Clinton led a procurement reform event in the White House, to inaugurate the Administration's NPR procurement legislative agenda. What I now realized was that the NPR was a major effort, that might be an important priority for the Vice President, and that procurement reform was going to be part of that effort. I had no way of knowing how long such interest would last, but, perhaps naively, I hoped it would.

(2) There was reform activity underway in Congress: In 1990 Congress, at the initiative of the Senate Armed Services Committee, had established a study commission (called the "Section 800 Panel" after the section of the Defense Department authorization bill that had created it) to examine government-unique laws applying to companies selling to the Defense Department. In January 1993, the Section 800 Panel issued a report recommending elimination of many of these laws. Senate staff then began work on a legislative response to the recommendations, as did the Defense Department. (The Defense Department's effort got folded into a broader Administration effort after publication of the Gore Report. Some of the recommendations of the Section 800 Panel had been incorporated as Gore Report recommendations, although many of the Gore Report procurement recommendations were in other areas.) Before coming to Washington, I had not even known that the Section 800 panel existed, nor that any legislation was being considered in reaction to it. In a conversation with an old college friend who worked on the Senate Armed Services Committee staff, I mentioned that my inclination on my new job, given what I assumed would be congressional resistance to change, was to concentrate on working with the agencies on reforms that were possible without legislative change, and he responded, "Steve, there's a lot of legislative activity moving in this area because of the 800 Panel Report. You're not going to be able to avoid becoming involved in it."

(3) There was reform activity underway at the Defense Department: The Defense Department reacted positively to the 800 Panel Report. A number of the new senior

leaders in the Defense Department had been involved with defense procurement reform through the efforts of the Defense Science Board. The new Secretary of Defense, who had previously been Chairman of the House Armed Services Committee, established an acquisition reform office headed by a former senior House Armed Services Committee staffer who had worked on procurement issues in Congress, Colleen Preston.

(4) There were reform-minded procurement executives: After my procurement book had come out in 1990, I had done some consulting for the procurement operation at the U.S. Postal Service, a government corporation that is not subject to the procurement laws and that was working to make their own system less bureaucratic. One of the calls I made on arriving in Washington was to the person who had brought me in as a consultant, to arrange a lunch. At lunch he mentioned that a number of friends of his who were procurement executives in some of the major non-Defense cabinet departments had formed a group called the Procurement Executives Association. They were a reform-minded bunch, and he thought I ought to try to meet some of them. I called the head of the group, and we got together. I was amazed. He thought the procurement status quo needed significant change. He seemed honored I had called him to get together. I hesitatingly broached my idea of trying to get procurement executives together on a joint project. He was very enthusiastic. Maybe, I said to myself, it might be possible to work with some procurement executives and not simply be rejected as a foreign body.

(5) There were front-line procurement professionals eager for change: A member of the Procurement Executives Association whom I called after having lunch with the head of the group was the procurement executive for the Department of Health and Human Services. In-between the two lunches it had occurred to me that it would be an interesting part of my "apprenticeship" to spend some time visiting a number of procure-

ment offices to listen to employees about what (if anything) they didn't like about the status quo and to get their reactions to some of my ideas. The Health and Human Services procurement executive offered to let me visit a number of offices over a one-week period (and indeed accompany me for much of the time). The meetings—often a group of ten or fifteen sitting around a big table with their supervisor and me—made a tremendous impression. To my surprise, I discovered that the dominant view among working-level procurement professionals was that the system involved too many rules and maddening red tape; as a group, they were frustrated with the status quo and hopeful that the NPR might conceivably do something about it. A few images from that week stand out vividly in my mind. One was entering the modestly sized office of one of the supervisors whose buying office I was visiting and seeing that one of the few books he had on his bookshelf was a book on “total quality management.” A second was how often during these meetings the front-line contracting professionals used the word “customer” to describe the program officials for whom they bought goods and services. When I had done my research several years earlier, most of the contracting professionals with whom I spoke regarded the program people as the enemy—as potential criminals anxious to skirt regulatory requirements—and certainly not as their “customers.” Something had gone on during the intervening years; the vocabulary of total quality management and of the customer-orientation movement in the business world had entered government. A third incident involved visiting a buying office at the National Institute of Health and talking with a contracting professional who was complaining how some government-unique requirements—such as the requirement that all purchases under \$25,000 be made from small businesses—that applied even to the purchase of a few computer disks made it impossible simply to go across the street from her office, where an inexpensive computer superstore was located, to make simple purchases.

As it happened, back at my meetings downtown working on the Administration's procurement reform draft legislation, the issue of eliminating legal impediments to

quick purchases of small everyday-use items for government offices was one of the items the group was busy working on. But this contracting professional had mentioned some legal impediments that the legislative group working back downtown had not noticed and were not in the Administration's draft legislation. I returned that afternoon downtown, went to a meeting of the legislative group, and told them excitedly what I had learned. The contracting professional's suggestions were promptly incorporated into the Administration draft. As I was taking the car back downtown, I had said to myself that if the procurement reform bill ever became law, I would try to get the front-line professional, Michelle Craddock, who had made these suggestions, invited to the bill-signing ceremony in the White House, as a way of dramatizing the participation of the front-line workforce in the process of change.

Making Change Happen

What my several-month apprenticeship had taught me was that the prospects for change were greater than I had expected. It might very well be possible to work with the agency procurement executives. Activity was underway in the Department of Defense. There was motion in Congress. And there was at least some support for change among the people on the front lines.

Still oriented more towards management changes within the executive branch than to legislative changes from Congress, I developed towards the end of my apprenticeship period a version of my original idea of trying to persuade a number of procurement executives to agree to work together on some concrete reform action in their agencies. Originally, I had hoped I might bring together a number of procurement executives for a day or two to see if they might be willing to agree to something—almost anything—among themselves. Based on my initial experiences, I decided it might be possible for me actually to make a suggestion to them, without the day or two of meetings. One of the days during my week with the Department of Health and Human Services, I

Implementing Federal Procurement Reform

made the suggestion to their procurement executive that perhaps a number of the procurement executives might agree to increasing their use of the government credit card by 100% over a one-year period. As I was sitting in the car, I thought out loud to him that perhaps such an agreement could be called a “pledge,” a somewhat strange-sounding word reminiscent of the expression “taking the pledge” used by temperance advocates trying to get people to forswear alcohol. He said that sounded like a good idea to him.

Thus was born the first signature activity of the procurement reform efforts under my tenure as OFPP Administrator, the “pledges.” Before we were done, between October 1993 and October 1994 OFPP organized five pledges. The idea behind the pledges was to get a number of agencies voluntarily to agree to undertake some specific action or reform effort, typically involving specific contracts that were going to be awarded. For example, the first big pledge, signed in January 1994, involved the use of past performance in the source selection process. In that pledge, twenty agencies pledged to take a total of sixty specific contracts and make the past performance of bidders a major factor in selecting the winner. The idea was to make the pledges center around a specific, concrete action—not a study or a report or a recommendation—so as to show that procurement reform could get started. The hope was that the joint activity would be able to generate publicity that would get out a message, at least within the procurement community and hopefully beyond, that procurement reform was underway, without waiting for changes in laws or regulations. The joint activity would also give agencies “cover” in trying something new that they might otherwise be hesitant to do, would allow us to gather lessons that could be useful in spreading the innovations further, and might give us ambassadors (the people working on the pledged contracts) to help spread the word in the agencies. Finally, the organization of pledges suggested one model of the role of a central management staff function such as OFPP in the process of organizational change in government operations, as the

node organizing joint activities and megaphone amplifying the voices of change that might otherwise be lost in the enormous cacophony of government.

I suggested a pledge involving the credit card to the Procurement Executives Association, and they organized it, signing an actual document to coincide with the President’s procurement event at the end of October, before I was confirmed. For the past performance pledge, I spent weeks on the phone as soon as I was confirmed trying to persuade agencies beyond the seven in the Procurement Executives Association to sign up. If we could get at least eight agencies, we would, I decided, go ahead. I asked the procurement executives in the Association for help talking with procurement executives in other agencies, I contacted senior information-technology (non-procurement) managers I had interviewed for my book in the late 1980’s, and my staff used contacts they had, particularly in the Department of Defense. After we got to eight or nine agencies, the number of participants started snowballing, and soon we were able to say to the holdout agencies, “Almost everyone but you is participating.” The agencies then had to come up with significant upcoming contracts to pledge; by the week before the public announcement of the pledge, OFPP staffers working on the project started feeling like salespeople receiving orders over the telephone as agencies called in to announce two or three or four more contracts. When we were done, we held a pledge-signing “ceremony” in the ornate Indian Treaty Room of the Old Executive Office Building, with signatories sitting around a large table, and the Director of OMB and of the National Performance Review in attendance and making brief remarks. The signing ceremony was covered in both *The Washington Post* and *The Washington Times*. In the wake of the pledge, we formed an interagency team of the pledging agencies to work on implementation of past performance.

Meanwhile, on a separate track, the Department of Defense was also proceeding without legislative or regulatory change and pursuing internal efforts to reduce reliance on milspecs. In early 1994 the Secretary of

Defense issued a memo stating that henceforth milspecs could be used only with higher-level approval, a change in the previous policy that required higher-level approval to eliminate existing milspecs.

Legislation

In November 1993, a coalition of Democratic and Republican senators from the Governmental Affairs and Armed Services committees introduced the procurement reform bill they had been working on since the beginning of the year, the Federal Acquisition Streamlining Act of 1993. The bill itself was something of a hodgepodge. At its center were proposals to adopt many of the recommendations of the Section 800 panel on making it easier for the government to buy commercial items and to raise the threshold for the use of simplified purchase procedures from \$25,000 to \$100,000. But the bill also included a considerable number of provisions sought in previous years, prior to the National Performance Review, by particularly the Democratic senators on the Government Affairs Committee, most of which actually added new regulations or requirements to the system. The bill had nothing in it that would increase the discretion of government officials, or simplify the process in awarding large contracts over \$100,000, which was the main area in which I traditionally had been interested.

The Senate bill provoked considerable controversy within the executive branch. Staff from the Office of the Vice President were anxious mainly to produce something that could be described as a legislative victory for the NPR. The Senate bill contained nothing in it that grew exclusively out of the Gore Report and in fact contained a number of features people in the executive branch would characterize as “anti-streamlining.” However, the Office of the Vice President supported attempting the amazing task of getting the bill passed, in the Senate at least, within a few weeks, before the end of the legislative session around the beginning of December, to create momentum behind the reinventing government effort. They were not averse to trying to get some improvements

in the bill if Senate staffers would agree, but if they wouldn’t, they favored simply accepting the bill as introduced. By contrast, the acquisition reform office in the Department of Defense was distressed at the bill for not going far enough. Defense supported getting the bill the Administration had been working on introduced.

The Defense Department proceeded with behavior a psychologist might characterize as “passive-aggressive.” They did not formally dissent from the view of the Office of the Vice President that no Administration bill should be introduced and that the Senate bill should be passed promptly. But, in a series of lengthy, exhaustive meetings to examine the Senate bill line-by-line against the Administration bill, Defense advocated an aggressive list of proposed changes to the Senate bill that rewrote, added, and subtracted in a way that made the changes to the Senate bill come to look virtually identical to the Administration bill. The Office of the Vice President was in no real position to intervene because they didn’t know enough about procurement to understand how extensive the proposed changes really were (the same was true of me at that point, though I was trying to learn as quickly as I could and I wasn’t yet confirmed and was just watching). So the proposed changes got presented to the Senate, along with the expressed (but unrealistic) hope that differences could be resolved in an intensive series of meetings for perhaps a week and the bill passed before adjournment, as the Office of the Vice President wished. Senate staff reacted to the proposed Administration changes with shock and outrage, accused the Administration of trying to rewrite the entire bill, and stated that, given the sheer volume of proposed Administration changes, there was no chance that a bill could be adopted by adjournment. For good measure, the staff director of the Governmental Affairs Committee made clear that if the Administration’s attitude of trying to rewrite the entire bill to the wishes of the Defense Department persisted, there was little prospect any bill would get adopted at all.

It was just after the Senate bill blew up that I got confirmed and began my job. Both the Senate and the Office of the Vice President were furious at the Defense

Department. I had listened and learned enough to have considerable sympathy with the Department's substantive views, and I also felt that the bill had enough weaknesses that it probably shouldn't have simply been passed in a few weeks. However, I respected the desire of the Office of the Vice President to get a bill passed, even if it was imperfect, and I also understood why Senate staffers were enraged by the insouciant Administration statement that we wanted a bill passed in weeks, while proposing a list of changes that clearly would have taken months to consider. Finally, I knew that the Office of the Vice President was so angry at the behavior of the Administration working group on the procurement reform legislation, formally led by OFPP but dominated by Defense, that they were close to ordering the group off the procurement reform legislation, apologizing to the Senate, and simply telling them that the Administration would support their bill unmodified.

So my first legislation-related job, pursued the same time I was working to organize the past performance pledge, was to try to get the bill back on track, while gaining some improvements and keeping the working group centrally involved in the Administration's efforts. The strategy I developed was to get agreement within the executive branch for a concrete, and limited, list of major provisions that needed to be added, subtracted, or changed from the Senate bill. We would present this list to Senate staff. We would state that our other concerns, not on the list, remained and that we would seek to have as many additional improvements as possible incorporated into the bill before it became law, but, crucially, we would commit to Senate staff that if our list of major concerns was dealt with, the Administration would support adoption of the bill even if the further changes we supported were not made. I presented this strategy to the Office of the Vice President as an alternative to firing the working group, arguing that those within the Administration who felt the bill had serious problems were not incorrect and emphasizing the lack of NPR flavor to the bill. They accepted my approach. I then announced it to the working group, whose chair I had now assumed, and stated that we would have to reduce our concerns to a manageable list of truly

important issues, preferably no more than five and definitely fewer than ten. We ended up with seven, involving some changes in bill language to bring it closer to Section 800 panel recommendations, removal of some of the anti-streamlining features that had been holdovers from earlier pre-NPR bills, and addition of some specific NPR recommendations.

The approach ended up working in getting the bill back on track. By September 1994 (after many additional roller-coaster rides, though none as bumpy as the first), the Federal Acquisition Streamlining Act (FASA) had passed both houses of Congress. The bill itself accomplished less than some of the rhetoric suggested; I still remained convinced that many real changes were matters of changes in management practice, not in laws or regulations. But it did make some genuine improvements. And it sent a very important message that change in the procurement system was underway that went far beyond specific changes in the legislation. (One soon began hearing about changes agencies were introducing "as a result of FASA" that did not involve legislative changes in FASA at all!) Michelle Craddock, the front-line procurement professional I had met the previous September, was invited to the bill-signing ceremony and acknowledged in the President's remarks. And right after the bill-signing ceremony, the last of the five OFPP pledges was signed.

Continuing the Process of Change

With the signing of the bill, I wanted to begin to devote most of my attention to implementation issues—to getting change actually to take place in buying offices. I announced in an interview in a publication specializing in federal procurement policy that 1995 would be "the year of implementation." And I knew how difficult that still was. My thought was to approach the effort like an effort to beat a large feather pillow into submission; one would need to hit and hit and hit from every possible direction, hoping that eventually its ability to resist and spring back would diminish.

One initial thought I had was somehow to transfer the

“pledge” idea into the activities of local buying offices. I suggested to the Procurement Executives Association the idea of my co-signing with the agency’s procurement executive a letter to each front-line contracting professional in their organization, asking each recipient to make a personal, individual pledge to undertake during 1995 some specific action (of their choice) to improve the way the procurement system functioned in their office. However, the procurement executives were not enthusiastic, so I dropped the idea.

A related thought, which I also shared with the Procurement Executives Association, was to make myself available as often as once every two weeks to visit a buying office where I would give a talk and do a “town meeting” (where contracting professionals could share ideas, suggestions, or frustrations with me). My only condition would be that the buying office, in exchange for my making the visit, would present me an action initiative they were pledging to undertake over the upcoming year. I dropped the *quid pro quo* condition for visits to buying offices, but I did begin towards the end of 1995 to spend increasing time visiting buying offices for combined speeches and town meetings—and typically the buying office would give me a briefing on local reform initiatives underway. During 1995 and 1996 about 10-15% of my time was spent this way. And just about whenever I gave speeches, in any context, I centered the speeches around a suggested list of activities that those in the audience could take personally, in cooperation with others in their buying office, to improve the system.

Another thought I had was to try to get the National Contract Management Association, the professional association of government and industry contracting people, more involved in the implementation of procurement reform. At their Fall 1995 annual conference, a few months after the Federal Acquisition Streamlining Act was passed, they signed a “pledge” regarding their participation in procurement reform. They pledged to encourage their local chapters to decide on some procurement reform initiative of special interest to the chapter, and to work on its implementation in their local area. They also agreed to

open a section of their monthly magazine to a regular feature called “Reinventing Acquisition,” which would feature articles jointly initiated by OFPP and the Defense Department acquisition reform office. The local chapter pledge initiative petered out; a number of local chapters did decide on an area to work on, but I never heard any follow-up of anything the chapters did about it. However, the “Reinventing Acquisition” feature in the monthly magazine flourished.

In a similar vein, in 1996 I established, together with my colleague Colleen Preston, the head of the Defense Department acquisition reform office, a “Front-Line Procurement Professionals Forum.” We solicited from each of the cabinet departments and the Defense Department military services nominations of non-supervisory contracting professionals. We eventually chose about 30 from among the nominees (about half from outside Washington), and the group started meeting about once every two months, in the White House Conference Center. These meetings allowed us to hear what was on their minds, and what was going on in local buying offices. It also allowed us to get reactions to planned initiatives before they were announced. It gave us a chance to present new initiatives to the group, who then went back and briefed their bosses and colleagues on what they had learned. Finally, it provided a new institutionalized voice for front-line contracting professionals in procurement reform. I worked to get members of the Forum invited as panelists in various procurement-related conferences. One member of the Forum testified in a hearing before a congressional committee, and in 1996 the Forum made favorable public comments (as a group) on proposed, and controversial, changes in the Federal Acquisition Regulation.

I was convinced that an important part of my job was to serve as a node to gather, and then to publicize, “success stories” that were individual examples of improvements that buying offices had achieved through procurement reform. Success stories were crucial for a number of reasons. They served as models of what could be accomplished through a willingness to change. They

also provided behavioral models that taught and could be imitated by others who learned about them. Giving people recognition for their successes—whether it be through the Vice President’s recognition program under the National Performance Review or letters from me to the supervisors of those who had created the success stories—encouraged them to keep trying and gave others an incentive to imitate. Success stories also could serve as an important defensive weapon against critics. The over-bureaucratization and over-regulation of public management have typically arisen in the past in reaction to scandals and abuses that the regulations are then designed to curb. I knew that efforts to de-bureaucratize and deregulate government management might be reversed by future scandals or abuses that could be attributed to earlier deregulation. My view has been that the only way to fight off such counter-attacks would be through a rain of success stories. These would allow us to say, something such as, “we strongly oppose abuses. Any who have abused a less regulated system should be punished, through existing criminal laws as appropriate. But look at the success stories reinvention has produced. Let’s deal with the abuses directly, not by returning the system back to its earlier state.”

So whenever I gave speeches I would end the speech by giving my fax number and urging people to send me questions, comments, and examples of success stories of which they were proud. Gradually, the initial concentration in the “Reinventing Acquisition” feature in the National Contract Management Association’s magazine on policy statements written by OFPP or the Defense Department acquisition reform office shifted to articles written by local contracting people about success stories growing out of procurement reform. When I testified before Congress in February 1995 on the progress of procurement reform, I decided, instead of discussing laws, regulations, and policies—as one would typically do in such testimony—to center the testimony around a half-dozen examples of local improvements in the system. In each case, I mentioned in the testimony the name of the team leader in charge of the improvement, and I sent letters about my testimony to each member of Congress who was their

representative, assuming that they would follow up with recognition letters themselves.

Another way to hit at the big feather pillow was training. An entire private-sector industry exists to train people in government contracting. We shared a joint interest in getting the word out about new policies and approaches. For us, it helped spread our message. For them, it was a business opportunity. Soon after procurement reform efforts began, I began seeing training advertisements for courses in areas of reform, such as past performance and buying commercial products, that we were promoting. I sent out a number of letters to training vendors, urging them to put certain material in their courses. In addition, OFPP began, for the first time, publishing “best practices guides” that gave non-regulatory suggestions and ideas for implementing new policies. In 1996 the National Performance Review also set up an Internet acquisition reform home page, called “Acquisition Reform Net,” which featured training materials as well as an interactive “chat room” capability for procurement professionals to discuss ideas on-line. The Defense Department established an “Acquisition Deskbook” with suggestions, ideas, and best practices on the Internet.

Finally, I sought to get more senior management in their agencies involved in procurement reform. Outside of the Defense Department, procurement issues seldom had much visibility above the level of the procurement executive. The Office of Management and Budget had organized a “President’s Management Council,” a committee of the deputy secretaries of the cabinet agencies. In 1996 a “procurement committee” of the President’s Management Council was established, headed by the Deputy Secretary of Transportation and me. One of the main goals was to increase the communication between deputy secretaries and their senior procurement people, on the principle that deputy secretary interest would make it easier for the senior career procurement people to bring about change.

Reasons for Success

In thinking about the reasons why it was possible to change the procurement system, one should certainly pay attention to the increased fiscal constraints that agencies were facing. These were apparent during this period both at the macro level of the federal budget as a whole and at the micro level of special fiscal constraints on certain individual agencies and activities:

(1) At the macro level, budget cutbacks began with President Clinton's 1993 deficit reduction plan. The National Performance Review also proposed, and the Administration adopted, the goal of a 250,000 employee cut in federal civilian employment (over ten percent of the civilian federal government workforce). The 1994 Republican victory in the congressional elections dramatically increased the fiscal constraints on the federal government, as Congress and the President both proposed plans to bring about a balanced federal budget by 2001.

(2) At a micro level, the Defense Department budget started steadily declining in the mid-1980's, after the large Reagan-era defense buildup of the first part of the 1980's. By the mid-1990's the real level of the defense budget was half that of the mid-1980's.

(3) Also at a micro level, during the Clinton administration the central purchasing agencies (that is, those agencies that purchased goods for use by other government agencies) lost both their status as mandatory sources of supply, which they previously had enjoyed for some of the items they bought, as well as their funding through the budget. Instead, they would henceforth need to fund themselves through a small surcharge on the prices of what they sold other agencies. The less they sold, the less money they would get.

Advocates of procurement reform, including me, specifically referred to these fiscal constraints in arguing the need for reform. Secretary of Defense William Perry stated on numerous occasions that savings from acquisition reform were the only way the Defense Department could afford adequately to defend the country, given the tight defense budget situation. I also argued in many of my speeches that only by improving the results the procure-

ment system delivered to taxpayers could the government help turn around the high level of popular cynicism about government performance that would otherwise continually threaten the funding for agency programs. The need to find ways to save money was also one way I achieved more support for my efforts among senior officials at the Office of Management and Budget.

There is evidence that fiscal constraints had an influence on the success of procurement reform:

(1) On the whole, change in the Defense Department, which faced more dramatic fiscal constraints than most civilian agencies, was greater than change in the civilian agencies.

(2) Probably the most dramatic procurement reform changes during this period occurred at the central purchasing agencies (General Services Administration and Defense Logistics Agency) that were fiscally most under threat.

However, there are also limits to an explanation based solely on fiscal constraints:

(1) The changes at the Defense Department lagged budget reductions by several years. Little procurement reform occurred during the second Reagan administration or the Bush administration, though defense spending was decreasing rapidly. The trend of defense spending increases actually slowed during the Clinton administration, but the pace of procurement reform increased rapidly.

(2) Although change at civilian agencies has in general been slower than at the Defense Department, there have been a number of civilian agencies—such as the Internal Revenue Service, the Veteran's Administration, and the Department of Transportation—where there has been significant change efforts despite a relatively mild budget climate.

It must also be kept in mind that a simple fiscal constraint explanation provides only a black box that tells us little about how people are able successfully to bring about change in response to growing fiscal constraints. After all, even in the private sector, many companies

respond better than others to an economic environment of increased competition; some do well, while others lose market share or go bankrupt.

The White House made a significant difference, I believe, in the success of reform efforts. The White House can't produce change itself. In the area of procurement, neither the Vice President nor I bought anything. But two features of the Vice President's involvement and strategy for reinventing government were crucial:

(1) Working with rather than against the career workforce: Initially, the National Performance Review approach of involving the career workforce in making recommendations for change, and stating that the problem was "good people trapped in bad systems" might have appeared—and may conceivably have been—mere efforts at product differentiation (highlighting the contrast with the bureaucrat-bashing Grace Commission) and at mollifying important constituencies (federal employee unions and traditional Democrats who didn't like anti-government rhetoric). However, whether conscious or not, this approach turned out to be the solution to the classic problem—in management reform in particular and presidential efforts at influencing the executive branch in general—of intermittent presidential or vice-presidential attention.

Change would have been impossible without a significant number of career people who already wanted change. I had first realized there were forces for change within the system during my 1993 apprenticeship; during a 1995 procurement reform conference where I was speaking at lunch, I asked the government contracting professionals in the audience how many of them would have said that the system was broken and needed change if I had asked them the question in the late 1980's. To my surprise, most raised their hands. Those in this audience were more change-oriented than the average procurement professional. But I was still surprised. I would have expected that most of them would have regarded themselves as relatively content with the existing system in the late 1980's and would have changed their minds since then. Instead, it appears as if

there was a sort of "underground" of those seeking change even at a time when that point of view was hardly noticeable at the surface. It turned out that procurement reform had a core of supporters waiting for a movement. By obtaining allies among the change-oriented elements of the career workforce, the White House got help when it mattered (during times when attention inevitably moved to other subjects) and where it mattered (on the ground, where change would need to happen).

The key dynamic was that the White House alliance with change forces within the career workforce strengthened the hand of those within the system who were already seeking change. It raised their relative standing within their organizations. It made it easier for them to be willing to try out new ideas.¹⁷ It encouraged and inspired those seeking change, while persuading some of those previously unenthusiastic or sitting on the fence. It provided "cover" (a good excuse if a given change effort fails or creates problems) to those seeking change. It helped get rid of external political obstacles (such as bad legislation, or, more broadly, an unfavorable political climate) that inhibited the work of those seeking change. And, finally, the White House served as a visible node, gathering and spreading information about "success stories" and innovations

(2) Occasional personal attention, while assuring the attention of White House agents: Gore's interest did not dissolve after the first flush of the 1993 report. Anniversary reports were published each year. Gore gave the issue of reinventing government only intermittent attention—and procurement reform attention that was considerably more intermittent—but he gave it ongoing attention. Ongoing attention, even if intermittent, was very important. No official at remotely near Vice President Gore's level in the political system had ever showed any sustained interest in questions of operational management before. Furthermore, Gore set in place a White House structure to work on reinvention full-time. These included one of his senior staffers, Elaine Kamarck, who ran the reinvention efforts for the Office of the Vice President, and a National Performance Review staff,

career civil servants on detail from their agencies, in the Office of the Vice President. It was that continued interest that allowed the White House to play the various encouragement roles discussed above.

The Vice President spent only a very modest amount of his personal time on procurement policy. But he made himself available if his help was needed, to resolve a knotty problem in negotiations with Congress or to meet to have his picture taken with members of the Front-Line Forum. I worked as his agent to show full-time White House interest; a congressional lobbyist from the Office of the Vice President was also assigned to work on procurement reform legislation. And I paid lots of attention to my role as encourager and inspirer (through the Front-Line Forum, use of “heroes” such as Michelle Craddock, or bringing front-line people to testify before Congress), as well as a node to spread success stories, through speeches I gave.

The White House effort was strategic in the best use of the term. Although there was no shortage of slogging and hand-to-hand combat, involving the Vice President’s agents working full-time on reform, the big picture is best understood through a jujitsu metaphor, where judicious use of a limited quantity of effort found leverage points that brought the old system to the ground.

ENDNOTES

¹ “Attention Pentagon Shoppers,” Business Week (May 27, 1996), p. 128

² Tom Foremski, “Plastic Route to Big Savings,” Financial Times (February 7, 1996), p. 6 (Information Technology Review supplement)

³ “Cutting Uncle’s Red Tape,” Purchasing (January 11, 1996)

⁴ Interview with Michael Dell, Government Computer News. (March 28, 1998) p. 24

⁵ Mark Moore, Creating Public Value (Cambridge: Harvard University Press, 1995)

⁶ Paul Light, The Tides of Reform (New Haven: Yale University Press, 1998)

⁷ Steven Kelman, Making Public Policy: A Hopeful View of American Government (New York: Basic

Books, 1987), pp. 274-76

⁸ David Osborne and Ted Gaebler, Reinventing Government: How the Entrepreneurial Spirit is Transforming the Public Sector (Reading, MA: Addison-Wesley Publishing, 1992)

⁹ Al Gore, From Red Tape to Results: Creating a Government that Works Better and Costs Less (Washington: Government Printing Office, 1993)

¹⁰ See, for example, Henry Mintzberg, The Structuring of Organizations (Englewood Cliffs: Prentice Hall, 1979).

¹¹ Gore, *op. cit.*, pp. 3,6

¹² Steven Kelman, Procurement and Public Management: The Fear of Discretion and the Quality of Public Performance (Washington: AEI Press, 1990)

¹³ Kelman, Procurement, *op. cit.*, pp. 24-26

¹⁴ Jeffrey L. Pressman and Aaron B. Wildavsky, Implementation (Berkeley: University of California Press, 1973)

¹⁵ Graham T. Allison, The Essence of Decision (Boston: Little Brown, 1973), p. 168

¹⁶ This is the approach outlined in Henry Mintzberg, “Crafting Strategy,” Harvard Business Review (July 1987) and brilliantly illustrated in the classic article, Richard T. Pascale, “Perspective on Strategy: The Real Story Behind Honda’s Success,” California Management Review (May 1984).

¹⁷ This point is made in a somewhat different context in Martha Derthick, The Influence of Federal Grants (Cambridge: Harvard University Press, 1966).