



Agile Acquisition of SAFe Services for Government

Approved for Public Distribution



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What you'll learn

- What is SAFe® ? Why is Government Adoption Growing?
- Tension of Traditional Contracts
- Crafting a Great Agile Contract
- 5 Actions with High Impact



What is SAFe® ?

Why is Government Adoption Growing?



The Scaled Agile Framework (SAFe®) applies the power of Agile, along with systems thinking, lean product development, customer experience and increased employee engagement to help agencies address the significant challenges of developing and delivering government solutions through the use of collaboration and support from industry.

It is an online, open and collaboratively sourced, freely-revealed knowledge base of proven success patterns for achieving business agility.

Government wants Performance and Technical Agility

As agencies respond to the impact of the rapid pace of technological change, it is imperative they have an agile and adaptive workforce ready to meet the challenges of current and future missions.

2022 Federal Workforce Priorities Report

Government:

- Wants to be agile and have agile workforce
- Relies on its partnership with industry partners and contractors
- Wants speed and to work within defined budget periods and deliver on key requirements with measurable outcomes
- Needs to respond to global threats to the US using agile approaches
- Needs an **agile acquisition** process to buy agile



Tension of Traditional Contracts

Buyers and suppliers in technology initiatives are **both** on the receiving end of problems caused by:



Specs?
No
specs?

WHAT?!

Different ways
of working
between client
and supplier?!

Lack of trust

Estimate.
Don't
estimate.
WHAT?!

Contested
awards

Fixed price
contracts,
T&M ...
WHAT?!

Fast
feedback ...
HOW?

No way to
measure
value

What's the purpose of contracts?

- Create **alignment** and a common understanding as to the context, vision and objectives of the engagement
- Sets the **basic rules** for how the organizations will **work together** for the duration of the engagement
- **Apportions risk** and and set expectations for how **'pain and gain' will be shared** between the organizations as barriers and opportunities emerge
- Bad contracts (unrealistic prices, time frames, functional expectations, wishful thinking) can result in partial to total failure of the system



Conflicting Patterns are the Source of Most Challenges

Traditional Contracts	Lean-Agile Contracts
Requirements defined up front, changes controlled	Based on key objectives, requirements change frequently based on learnings, customer feedback and emerging events
Large, infrequent releases	Based on a hypothesis that must be proven true through incremental and iterative deliverables
Compliance driven	Frequent delivery of value to the customer

Conflicting Patterns are the Source of Most Challenges

Traditional Contracts	Lean-Agile Contracts
Quality through inspection and governance	Based on a foundation of transparency and trust
Considered complete when contractual terms are met	“Done” when most valuable features have been delivered and accepted by customer
Built on controlling risks, protecting all parties for all possible contingencies	Built on lean principles that aim at reducing delays, eliminating waste, reducing complexity, and maximizing value

Crafting a Great Agile Contract



Key Elements to Agile Contracting

- Structure the program to deliver small, frequent capability to account for threats and mission goals
- Value software or services over comprehensive documentation
- Be responsive to changes in operations, technology, regulation, and budgets
- Actively involve users through the development process to ensure high value



Best Practices in Agile Contracting

Align Incentives

- Pay for outcomes, not hours or schedule
- Include a “change for free” option to eliminate the pain of scope creep
- Reward for demonstration of improved efficiency

Collaboration and Transparency

- Trust, but verify. Assume all parties are acting in good faith, and what the consequences are if they do not
- Provide clear goals and objectives, rather than the process
- Specify the measures of performance with contractor sharing on a regular basis

Inspect and Adapt

- Specify Agile events and ceremonies
- Determine how “value” will be evaluated
- Establish rules of engagement with clarification of roles and responsibilities
- Describe how extensions of contract will be handled



Other Best Practices

- **Fixed capacity** per iteration or an 8-10 week “Planning Increment” (aka PI event)
- Operate under a product or service **vision, roadmap**, and **common backlog**, as well as architectural/UX guidance
- The integrated solution is evaluated at the end of each PI in the **integrated system demo**
- Based on the results, the agency controls the investment and can stop, continue, increase, or decrease funding and priorities. This is called “**pivot or preserve**”.

Key Components to Include in a Lean-Agile RFP

- Product Vision
- Strategic Themes
- Statement of Objectives
- Solution Intent
- Initial high-level backlog of well-formed Epics
- Non-Functional Requirements
- Draft Definitions of Done for each level (user stories, features, releases)



Key Components to Include in a Lean-Agile RFP

Government commits to:

- Engagement by key customer personnel and decision-makers
- Collaborative, transparent work environment
- Protecting time for innovation and planning
- Ongoing investment in the architectural runway
- Performance measurement based on Lean-Agile metrics
- Use rolling wave planning events (backlog refinement, Inspect & Adapt, PI Planning) as a replacement for legacy asynchronous milestone reviews



Take Action!

Agile Acquisition Pre-Award Strategy

- Include integrated planning, design, development, and testing performed in an iterative life cycle that delivers small, frequent, incremental capabilities to users deemed valuable.
- Contract should reflect the integrated government and contractor partnership using shared processes. Requires an agreed-upon governance structure that defines what decisions are left to the team and which are owned by the government.
- The team should deliver capabilities to users using continuous delivery practices, seek feedback, and enhance the solution via evolving requirements.

Change in Process

Stop Doing This

- Paid by the hour – Rewards consumption of time
- Paid by Lines of Code – Rewards volume and complexity rather than quality
- Fixed Date and Scope – Encourages poor quality to deliver on time
- Prescribed complex approval process – Slows delivery, limits the contractor's ability to experiment, and to adapt an innovation and improvement mindset

Start Doing This

- Pay for the Agile team, or the entire Agile Release Train
- Pay for value delivered
- Pay for release-able functionality
- Define boundaries of scope and specific milestones
- Change for free strategy (eliminates Change Control Boards)
- Provide a single point of contact
- Have just enough lean processes to guarantee high quality, low risk, secure products

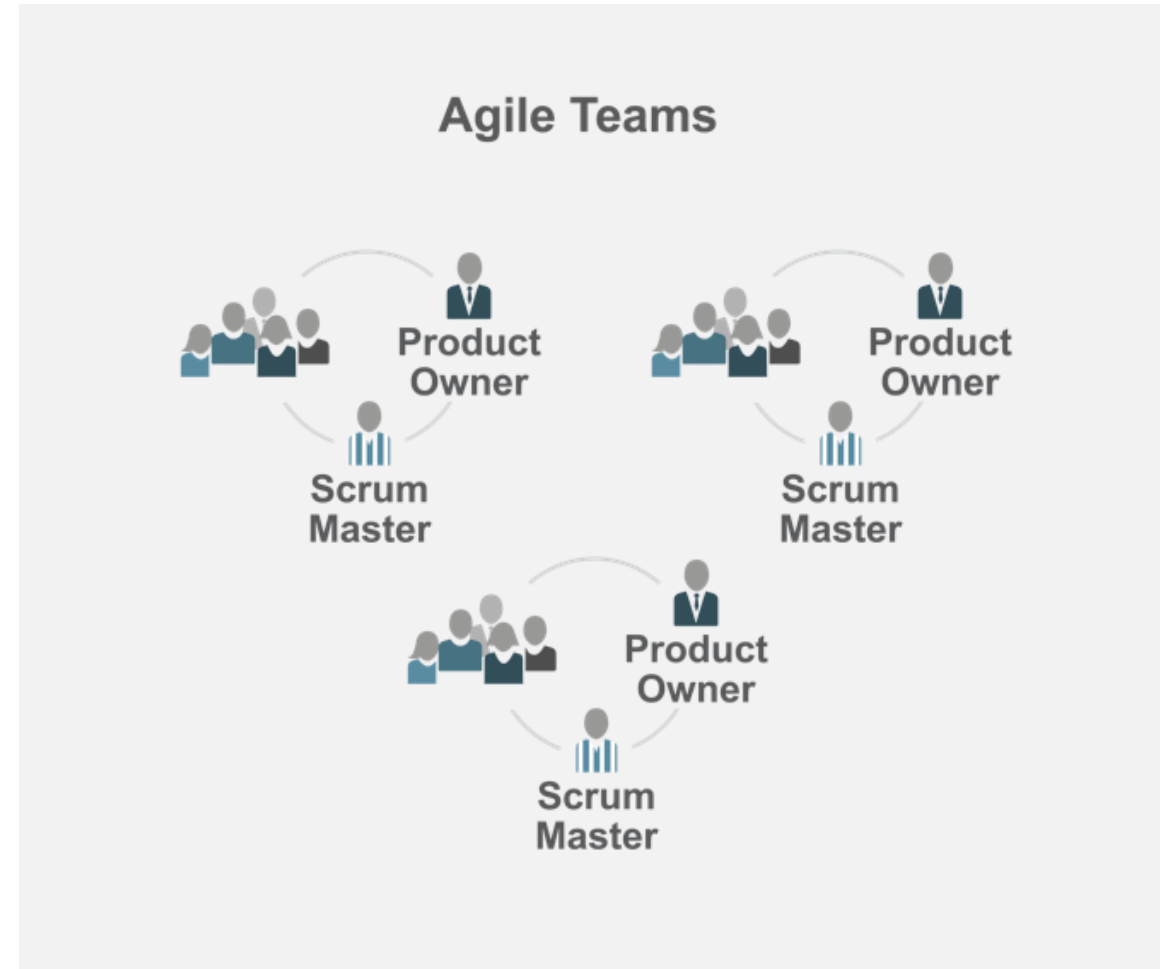
1 Change the unit of purchase

Change the basic unit of purchase to an ‘**Agile Team**’

- Each team <10 individuals
- Product Owner and/or Scrum Master may be provided by buyer depending on context
- Cross-functional, self-organizing — can **define, build, and test** value
- Fixed price per team for a Planning Increment (PI ~90 days long)
- Delivers value every iteration

“Buy the factory not the car.”

— Mark Schwartzman, former CIO, DHS



2 Pre-contract: Define Agile roles and responsibilities

Contractor should

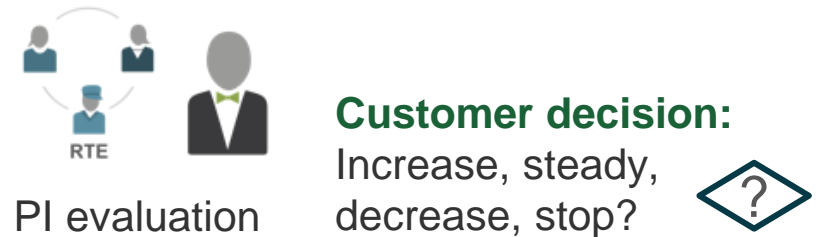
- Establish number of teams
- Agree to responsibilities and commitments
- Gain access to, or establish application lifecycle management (ALM) tools for backlog, program board, data collection and team planning

Agency should

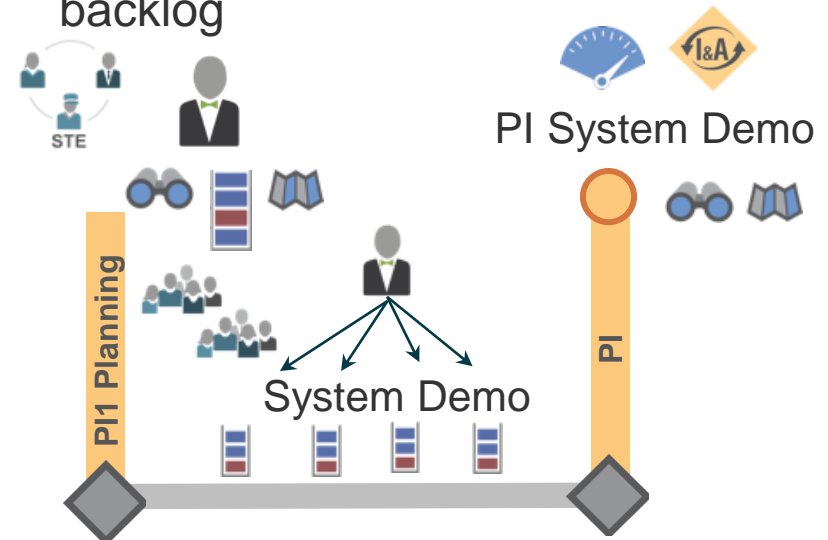
- Define expectations for the first PI event and following PIs
- Ramp up/down commitments
- Agree to responsibilities and commitments
- Define Vision and Roadmap
- Commit to holding the first PI
- Establish forecast and criteria for procuring additional services

3 Structure the program to include small, frequent releases

- Provision teams and contract roles
- Perform PI planning
- Execute work planned in PI
- Iteratively update program scope and timeline
- Update vision and backlog



- Evaluate solution and metrics
- Provide feedback
- Participate in Inspect and Adapt
- Update Vision, Roadmap, Solution Intent, backlog



4 Execute additional PIs

- Measure the progress of each iteration via system demo
- PI System demo is the major contract event
- Measure, evaluate, inspect, and adapt
- Increase, steady, ramp down?



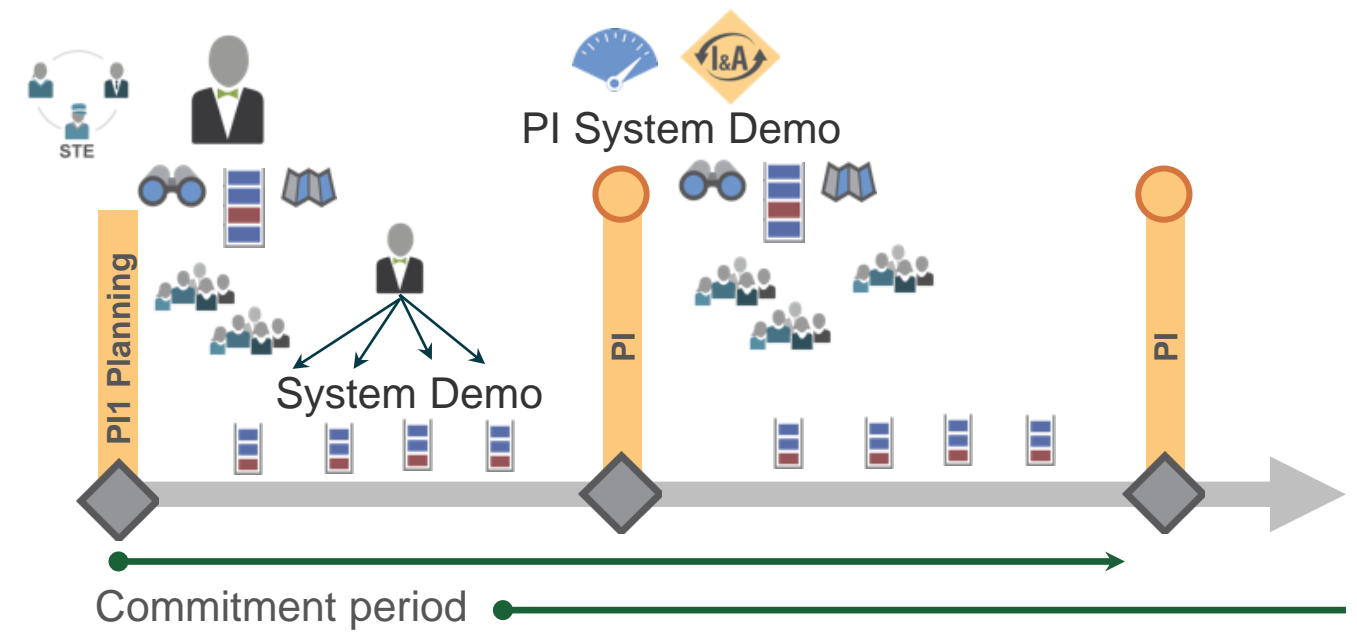
PI evaluation

Customer decision:

Increase, steady, decrease, stop?



- Evaluate solution and metrics
- Provide feedback
- Participate in Inspect and Adapt
- Update Vision, Roadmap, Solution Intent, backlog



5 Pivot or Preserve

- Continue until diminishing economic returns
- Preserve the agile team, pivot to new work
- Treat maintenance and support as if it were a continuation of the development work (establish clear communication on the color of money)
- Where possible, keep knowledge acquisition and value flowing (see scaledagileframework.com/leanbudgets)

The SAFe RFI / RFP Exemplar

- SAFe Gov Cohort
- Published as guidance
- Amalgamate of several sample government agile RFPs/IDIQs

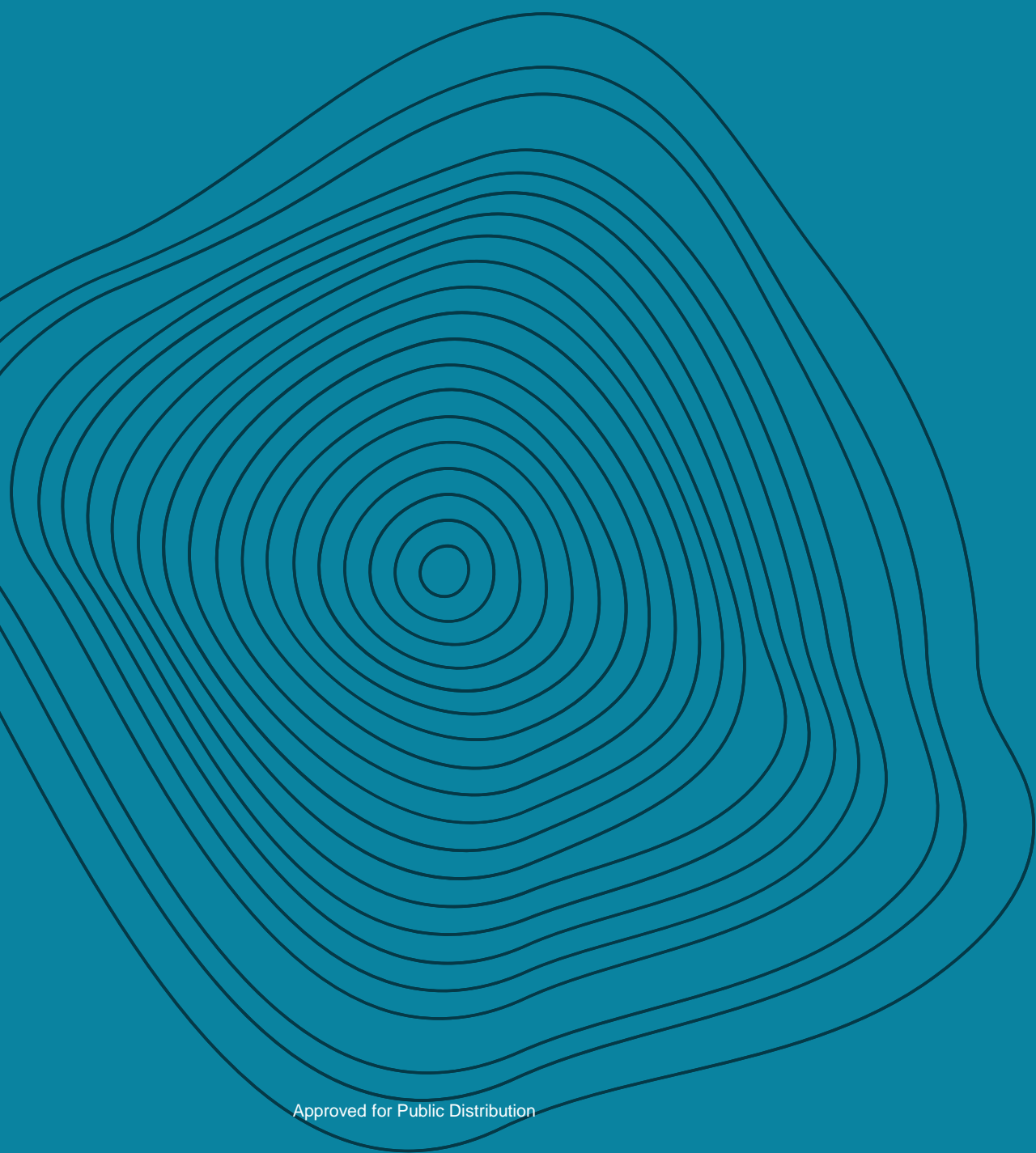


[https://go.scaledagile.com/rs/983-XYR-522/images/Agile Acquisition of SAFe Services for Government.pdf](https://go.scaledagile.com/rs/983-XYR-522/images/Agile%20Acquisition%20of%20SAFe%20Services%20for%20Government.pdf)

Recap

- Agile contracts shift the focus to delivering the most value with the highest quality within time – cost – scope constraints
- Agile contracts maximize economic benefit for all parties, creating a collaborative partnership to deliver the best possible solution
- Agile contracts support Lean-Agile values, principles, and practices vs. enforcing waterfall, stage-gate methods
- The SAFe provides examples of how to create an Agile Contract to support Government Agile Acquisitions using SAFe

<https://www.scaledagileframework.com/agile-contracts/>



Thank You!

For more information, reach us at:
Government@scaledagile.com

References

References

- **[Digital Services Playbook](#)**

This is the foundational guidance for a user-centered, agile, and iterative approach to developing technology-based government services for U.S. citizens. It is written and maintained by U.S. Digital Service, the agency formed after the challenges with the Healthcare.gov launch to help government programs embrace modern development practices.

- **[Agile Software Development Solicitation Guide](#)**

See the 18F Agile Delivery Services Blanket Purchase Agreement page for more details about how the US federal government is trying to align acquisition practices with Agile delivery practices. The 18F also has an ongoing blog series on Agile BPA.

- **[TechFAR Hub](#)**

TechFAR Hub is the comprehensive source for resources and best practices for digital service and Agile acquisitions. The primary reference on the site is the TechFAR Handbook which includes a broad spectrum of questions and answers for acquisition professionals related to procurement and contracts involving an Agile process. The site also includes case studies, templates and sample contract language

References

- [GSA's 18F Home Page](#)

18F partners with federal agencies to help build better digital services and to implement new acquisition techniques. 18F was designed to attract talent from the private sector with experience in modern development technologies and practices to serve as an internal consulting service to help agencies solve their digital services challenges. There are several excellent resources on this site for supporting Agile adoption.

- [The Ad Hoc Government Digital Services Playbook](#)

This revised version of the Digital Services Playbook was authored by members of the Silicon Valley team that helped rescue Healthcare.gov and author the original playbook. Now from their own company called Ad Hoc, these thought leaders share their key lessons learned from implementing the original playbook recommendations in several U.S. agencies.

References

- **[DHS Agile Development and Delivery for Information Technology Instruction Manual](#)**

The Department of Homeland Security (DHS) has adopted an “Agile first” policy as the preferred method for technology development. This instruction manual provides great insight into practical guidance that DHS created for how to apply Agile across thousands of programs within the department. It provides an excellent template and exemplar for other agencies.

- **[DAU – Software Acquisition](#)**

Offers guidance on flexible and modular contract strategy that enables software development teams to rapidly design, develop, test, integrate, deploy, and support software capabilities.

- **[Department of Defense Software Modernization Strategy](#)**

Starting with software agile practices, this guide argues that agile must scale across the ecosystem. Those principles of agile that deliver better outcomes can inform and improve contracting across people, processes and technology.

SAFe Articles

- <https://www.scaledagileframework.com/agile-contracts/>
- **Lean Startup Approach**
<https://www.scaledagileframework.com/lean-ux-and-the-safe-program-increment-life-cycle/>
- **SAFe for Government**
<https://www.scaledagileframework.com/governmentlandingpage/government-resources/>

Agile Contracting in Government Resources

scaledagileframework.com



“If there’s one thing government needs desperately, it’s the ability to quickly try something, pivot when necessary, and build complex systems by starting with simple systems that work and evolve from there, not the other way around.”

—Jennifer Pahlka, Founder, Code for America, Former U.S. Deputy CTO 2012 [1]

SAFe for Government

SAFe for Government is a set of success patterns that help public sector organizations implement Lean-Agile practices in a government context.

scaledagile.com/agile-in-us-government



Agile in U.S. Government

Agile adoption in the U.S. government is growing rapidly. Agencies such as 18F, U.S. Digital Service, the Government Accountability Office, and more, are providing guidance on Agile practices.



Agile and Acquisitions in Government

FEDERAL ACQUISITION INSTITUTE

Digital Acquisition MVP

Agile Acquisitions 101

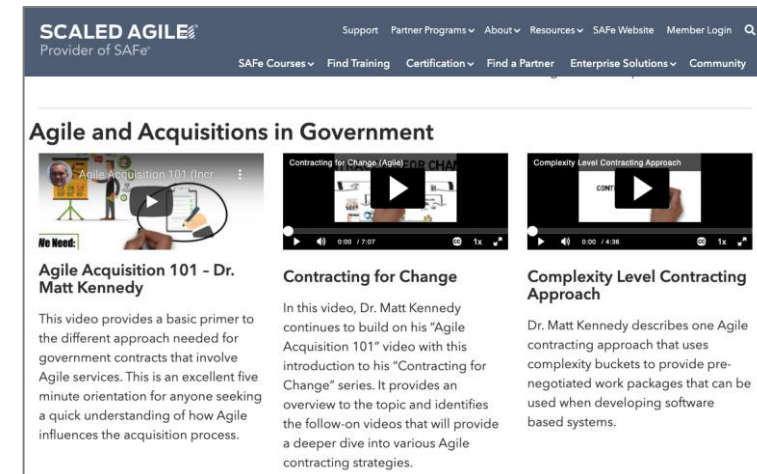
This site includes an excellent video that provides a basic foundation of knowledge for how to write government contracts that support and enable an Agile way of working by contractors on federal programs. In addition to the video, the site includes example templates for use by contracting officers to build Agile contracts.

Digital Information Technology Acquisition Professional (DITAP) Training Program

The US Digital Service and the Office of Federal Procurement Policy (OFPP) partnered to develop a training and certification program for acquisition professionals to understand new techniques and templates for contracts that support Agile and digital services. The site also includes a comprehensive contact list for alumni who have completed the program across all federal agencies.

Agile Acquisition Expert Jonathan Mostowski

Jonathan Mostowski is a senior acquisition official at US Digital Service who has authored a series of video blogs on various topics related to Agile acquisitions in the U.S. government. Formerly at NGA, Jonathan is a recognized author and public speaker on how agencies can use the tools within and beyond the FAR to build contracts that support iterative development models. This is his personal YouTube channel, but the



Agile and Acquisitions in Government

Agile Acquisition 101 - Dr. Matt Kennedy

This video provides a basic primer to the different approach needed for government contracts that involve Agile services. This is an excellent five minute orientation for anyone seeking a quick understanding of how Agile influences the acquisition process.

Contracting for Change

In this video, Dr. Matt Kennedy continues to build on his "Agile Acquisition 101" video with this introduction to his "Contracting for Change" series. It provides an overview to the topic and identifies the follow-on videos that will provide a deeper dive into various Agile contracting strategies.

Complexity Level Contracting Approach

Dr. Matt Kennedy describes one Agile contracting approach that uses complexity buckets to provide pre-negotiated work packages that can be used when developing software based systems.

Agile Contracting in Government Resources

scaledagile.com/customer-stories

The screenshot shows the Scaled Agile website's 'Customer Success Story' section. The main headline reads 'Delivering a time-critical e-Prescription solution with SAFe®'. Below this, a sub-headline states: 'Learn how siloed teams overcame the challenges associated with developing an end-to-end ePrescription solution, despite existing commitments and a plethora of on-the-go changes to requirements.' A 'Read more' button is visible. The background image shows a pharmacist in a white lab coat looking at a tablet. Below the main story, there is a section titled 'See how our customers are working differently and succeeding with SAFe.' with filters for Business Sizes, Industries, Regions, and Topics. Four customer stories are listed: 'Fred IT delivers timely e-Prescription solution with SAFe®' (Information Technology), 'Designing the Digital Future at Porsche' (Automotive), 'CVS Health Tackles COVID Response by Adopting SAFe – SAFe for Healthcare' (Healthcare), and 'TV Globo – Adopting SAFe for Enterprise Agility Transformation' (Media & Entertainment).

The screenshot shows a video player on the Scaled Agile website. The video title is 'U.S. Airforce and Northrop Grumman – Using SAFe and DevSecOps for Agile Transformation'. The subtitle is 'Lean-Agile Mindset & DevSecOps in a Multi-billion Dollar Defense System'. The video thumbnail shows a person in military uniform working at a computer workstation. Below the video, there is a 'Share:' section with social media icons for LinkedIn, Facebook, Twitter, YouTube, and Email. The video description asks: 'How do you achieve unprecedented communication between contractor, government, and stakeholders in a large acquisition?' and provides a summary of the Northrop Grumman and US Air Force agile transformation. It mentions that the development occurs under a multi-billion dollar contract involving hundreds of companies and over 10,000 people across the US. The video was presented at the 2021 Global SAFe Summit, October 2021 by David Gellen and Micheal Burkhardt.

<https://www.gao.gov/assets/gao-20-590g.pdf>

The image shows the cover of a GAO Best Practices report. The title is 'AGILE ASSESSMENT GUIDE' in large white letters on a purple background. Below the title, it says 'Best Practices for Agile Adoption and Implementation'. The cover features a background image of the U.S. Capitol building. In the bottom right corner, there is a box with the text: 'From September 28, 2020 to September 27, 2021, GAO is seeking input and feedback on this Exposure Draft from all interested parties. See page 3 for more information.' The GAO logo and 'U.S. GOVERNMENT ACCOUNTABILITY OFFICE' are in the bottom right corner. The report number 'GAO-20-590G' and the date 'September 2020' are in the bottom left corner.

Industry Guidance



Corporate university of the DoD offering acquisition, technology, and logistics (AT&L) training to military and Federal civilian staff and Federal contractors



Agile Delivery for Agencies, Programs & Teams (ADAPT) – board member



Member - GAO Experts Panel



Member and partner



Procurement guidance



Schedule listing in process