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Contracting, Comptroller Conquer Fiscal Year-End Challenge

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Contracting, Comptroller Conquer Fiscal Year-End Challenge

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U.S. Navy photo by PO2 Michael Ehrlich

By PO1 Lewis Hunsaker

Every year like clockwork, agencies across the federal government rush to ensure final requirements are met by fiscal year-end all while balancing the crucial processes of budgeting for the coming year. NPS is no different, but even though the Navy's direct budget for NPS is just under \$90 million, the university operates much larger, with total revenues well over \$200 million for fiscal year 2016.

Behind the scenes, making sure the campus' needs were met during the last fiscal year transition, is a dedicated team of analysts, specialists and the like, ensuring requirements are fulfilled and the process runs smoothly.

"One of the issues we face is that funds expire, and we can't take any of that money past Sept. 30," said Comptroller and Director of Financial Management Kevin Little. "With that, there is a rush to ensure all the necessary purchases are made, labor is paid, and contracts are executed. In fiscal year 2016, over \$208,746,000 were obligated through the Financial Management Directorate (FMD) with over \$50 million in Acquisition.

"If we're able to have people expend funds earlier in the year rather than later, that would help us, such as making an equipment purchase in the 2nd quarter vice the 4th quarter. But even that isn't the total solution," Little continued. "However, every year the process gets better as we constantly improve upon the previous year."

Efficacy in the Comptroller's Office is broken into several small departments to include accounting, fiscal analysis, systems, travel, and budgeting.

"My largest department, by far, is accounting. If anyone wants to do anything, from grants to contracts or purchases, they have to go through this department," said Little. "There are thousands upon thousands of transactions that go through this department."

"My team is very dedicated and does an outstanding job, especially when you consider the workload, and that we are short staffed," he continued.

Little and his team's efforts come to fruition when coupled with the diverse team of contracting, purchasing and property professionals that make up NPS' Contracting and Logistics Management (C&LM) department led by C&LM Director Patricia Hirsch. In fact, the largest part of the comptroller's budget, outside of labor, is acquisition.

"Working with our requirement planning boards, project leads, technical experts and customers, we are able to plan and execute for products and services that enable this university to succeed," said Hirsch. "Our mission is to enable NPS. It really comes down to equipping the students, so they can conduct their research and successfully complete their thesis projects. We are the aorta of the campus. If you cut off acquisition, the mission fails."

Thanks to the efforts of the C&LM team, no end of year requirement was left behind, Hirsch says, but it did not come without challenge in the last 90 days of the fiscal year. C&LM received 46 late requirement packages, which "required reprioritization of workload and sub-optimal levels of support to previously scheduled requirement," she added.

Hirsch says her team has come a long way in managing their large workload in support of the campus. C&LM was also able to implement two strategic sourcing initiatives for information technology (IT) resources. The first initiative

took advantage of DOD level purchasing power to save \$68,000, enabling NPS' Chief Information Officer to purchase an additional 59 computers for lifecycle management. The second consolidated seven separate IT requirements across the campus for one GSA reverse auction, yielding an additional \$68,000 savings, and 70 additional computers for IT lifecycle management. These initiatives can be expanded upon in FY17 with proper planning.

According to the Navy reporting system, NPS contracting obligated \$12,635,168 in FY16 – 50 percent of these funds were obligated during the 4th quarter (Jul-Sep 2016), which represents 43 percent of C&LM's FY16 workload. Similarly, NPS purchasing obligated \$8,900,703 in FY16 – 56 percent of these funds were obligated in the 4th quarter, representing 44 percent of the FY16 workload. A corresponding bow-wave hits the C&LM Property Management department in the 1st quarter of the new fiscal year, with 48 percent of new property received in October and November.

The FMD and C&LM teams continue to work on improvements to existing processes, and are committed to regular meetings with customers across campus to manage priorities and assist with the development of procurement packages.

"Our goal in FY17 is to give assurance to the campus that Contracting and Comptroller are a cohesive team" said Hirsch. To better serve the NPS mission, she re-emphasized the following customer tips to leverage capacity:

- Continue to move annual recurring requirements away from 1 October;
- Continue to forecast and plan large, complex requirements with your department's requirements review boards;
- Establish internal cutoff dates within your departments to meet C&LM deadlines throughout the year;
- Prioritize FY requirements in accordance with funds availability and expiration dates; and,
- Consolidate "like" requirements and assist our directorates/schools in developing long term solutions.

"We are striving to partner with our customers, and through a concentrated effort in these areas, we see a stronger, even more cohesive team for a better FY17," she said.