



**TO:** HHS Operating and Staff Division Leaders

**FROM:** Chief of Staff

**SUBJECT:** Chief of Staff's Taxpayer Accountability Board

**REFERENCE:** OMB Circular A-123, Management Responsibility for Internal Control

**Background:**

The American people have entrusted us with the largest budget of any government agency in the world. Our stewardship of this enormous responsibility requires that prudent policies and safeguards be in place to ensure the Department can continue to uphold and carry out its mission of enhancing the health and wellbeing of the American people, while preventing unnecessary spending that may hinder these efforts.

At the outset of FY20, I requested the Department conduct a review of its service contracts, which totaled \$19.6B and over 14,000 contracts in FY19. Following this review, it has become clear further action is needed to ensure that HHS remains a good steward of taxpayer funds and possesses the tools to address the potential burden of excess spending. Therefore, the Department is establishing the Chief of Staff's Taxpayer Accountability Board (TAB).

The TAB is being established to institutionalize a contract review culture for critical services throughout HHS and strengthen the management of the acquisition of services at both the strategic and tactical level. The board has already begun implementing processes for HHS Operating Divisions (OPDIV) and Staff Divisions (STAFFDIV), which will become effective starting December 21, 2020.

Based on an initial analysis, this increased oversight and management of our contracts through the establishment of this process is projected to save the Department nearly \$10 billion over the next ten years.

**Key Objectives:**

- Identify opportunities for efficiencies and cost savings/cost avoidance
- Perform both prospective and retrospective review of requirements in HHS contracts
- Apply strategic, enterprise-wide considerations to both the planning and the execution of the acquisitions
- Ensure relevant, measurable, and value-added outcomes
- Increase visibility of services requirements and collaboration among stakeholders on key strategy decisions
- Promote early acquisition planning

**New Processes:**

1. Prior to fund certification, all services requirements (new and follow-on services requirements and contract option exercises) at specified thresholds being funded by HHS STAFFDIVS and OPDIVS in the following categories will require a review and approval by the assigned Board Member prior to funds certification:
  - Program management support
  - Staff assistance/staff support
  - Contact & call centers services
  - Surveys & survey tools
  - Media publications, marketing & communications
  - Professional consulting services and
  - Information technology support services
2. Prior to fund certification, the TAB will convene to conduct reviews for all services requirements at or exceeding \$150M.
3. The Board will conduct a random sampling of contracts and agreements issued under Other Transaction Authority (OTA) in the aforementioned services categories that have been modified after award to determine continued alignment with initial contract scope and performance.
4. The Board will also conduct a random sampling of contracts and OTAs supporting other scopes of work across HHS (as deemed necessary by designated review officials).

It is important to note that this policy shall not apply to requirements associated with addressing the COVID-19 response. Services requirements supporting COVID-19 response may be addressed in the future.

**Board Members:**

- Chairperson: Chief of Staff
- Vice Chairperson/Executive Director: David Dasher
- Assistant Secretary for Administration, or designee
- Assistant Secretary for Preparedness and Evaluation, or designee
- Assistant Secretary for Public Affairs, or designee
- Assistant Secretary for Financial Resources, or designee
- Chief Information Officer, or designee

The HHS Chief of Staff will chair and oversee the TAB Review Process. Additionally, David Dasher, HHS Senior Procurement Executive, has been appointed to be the Executive Director and Vice Chairperson of the board.

Additional guidance will be provided to your Chief Operating Officers and/or Chief Financial Officers.

Brian Harrison