

Acquisition Workforce Working Group Revised Findings and Proposed Recommendations

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These slides contain preliminary working group findings for discussion purposes only. They have not been approved by the Acquisition Advisory Panel.



Finding #1:

The federal acquisition workforce is an essential key to success in achieving the government's missions. Procurement is an increasingly central part of the government's activities. Without a workforce that is qualitatively and quantitatively adequate and adapted to its mission the procurement reforms of the last decade cannot achieve their potential, and successful federal procurement cannot be achieved.



Finding #2:

- **Demands on the federal acquisition workforce have grown substantially:**



Finding #2-1:

- **The dollar volume of federal government procurement has increased dramatically since 9/11/2001. Procurement obligations have increased 60% in the last five years.**



Finding #2-2:

- In the last twelve years the qualitative nature of the procurement activity has also changed, placing markedly greater demands on the Acquisition Workforce for capability, training, time, and sophistication.**



Finding #2-2-1:

- There has been a pronounced shift from acquisition of goods to acquisition of services. Service contracting places additional demands on the acquisition workforce, both in the requirements definition and contract formation process, particularly in the realm of performance-based service acquisition, but also on the contract management side.**



Finding #2-2-2:

- There has been a dramatic shift of federal procurement dollars to the federal supply schedules and other forms of interagency contracting. Although this is often perceived, correctly, as part of the solution to the government's procurement problems and its acquisition workforce shortcomings, it also opens the door to certain problems:**
 - (continues on next slide)**



Finding #2-2-2 (continued):

Heavy reliance on the schedules and other forms of interagency contracting can alleviate the burdens on understaffed agencies insofar as “getting to the initial award,” but too often contributes to subsequent problems that arise when ordering agencies fail to define their requirements adequately, fail to use these vehicles appropriately, fail to secure competition in using these vehicles, or fail to manage contract performance under these vehicles. Some of these problems are more acute with respect to assisting entities as opposed to direct ordering vehicles.



Finding #2-3:

Many transactions have been simplified by the federal acquisition reforms of the last decade. This is particularly true of the purchase card and the simplified acquisition threshold. These simplified transactions represent the overwhelming bulk of procurement transactions if we simply count transactions. (continues)



Finding #2-3 (continued):

However, even the simplified purchase card transactions have a more complex impact on the acquisition workforce than was initially appreciated, because of the need to institute and maintain appropriate purchase card management and controls.



Finding #2-4:

But the remaining share of procurement – outside the ambit of simplified procedures-- is the portion that actually requires most of our attention going forward. For this critical share of the government's procurement activity, the demands of procurement on the acquisition workforce have grown dramatically. The changes in our procurement system that produce these demands may be desirable, but they are not cost-free.



Finding #2-4-1:

Procurement outside the simplified regimes is characterized by use of best value procurement procedures, which substantially increase the complexity of procurement and the demands on the acquisition workforce as compared with procurement on the basis of lowest price.



Finding #2-4-2:

Procurement outside the simplified regimes is subject to requirements of past performance evaluation which substantially increase the burdens of procurement on the acquisition workforce.



Finding #2-4-3

A substantial share of procurement outside the simplified regimes is performance-based services acquisition, which dramatically increases the complexity and burden of demands imposed on the federal acquisition workforce.



Finding #2-4-4:

Heightened requirements for use of commercial goods and services have increased the demand for a sophisticated acquisition workforce that has business skills appropriate to the rapidly changing commercial markets in which goods and services are to be secured.



Finding #3:

Even though there are now available a variety of simplified acquisition techniques, the complexity of the federal acquisition system *as a whole* has markedly increased since the 1980s.

- Procurement reforms designed to accelerate mission accomplishment nonetheless burden the acquisition workforce, which needs to choose among available techniques. There are difficult decisions to about when to use which approach.**
- The acquisition workforce also needs to be equipped to exercise discretion in choosing the appropriate procedure for procurement.**



- **While some procurement functions can be performed satisfactorily by personnel with mastery only over the simplified techniques, more complex federal acquisitions demand procurement personnel with mastery of the range of procurement techniques. Thus the complexity of the acquisition system, taken as a whole, has become a major challenge to the acquisition workforce.**



Finding #4:

There are substantial problems with the data that are available on the federal acquisition workforce.



Finding #4-1:

Data has not been collected in a consistent fashion from year to year or across agencies.



Finding #4-2:

- **The acquisition workforce has been defined differently for DoD and for civilian agencies over the period of the acquisition reforms and the acquisition workforce cutbacks that have occurred in the last 15 years.**



Finding #4-3:

A significant policy issue is presented as to how broadly to define the composition of the acquisition workforce—whether to include all of the functions that complement or support the acquisition function? A broad definition is more consistent with modern understanding and commercial practices regarding the acquisition function, but risks overstating acquisition workforce resources.



Finding #5:

The Acquisition Workforce does not have the personnel necessary to meet the demands that have been placed on it.



- There were substantial reductions in the acquisition workforce during the decade of the 1990s.



- One result of this is that hiring of new acquisition professionals virtually ceased during this time period.



Finding #5-1

- There were also cuts in agency training budgets that meant the existing workforce was not trained to adapt to the increasingly complex and demanding environment in which they were called upon to function.
- Despite recent efforts to devote more attention and funding to workforce training, these efforts do not appear to meet the existing and future needs for a trained acquisition workforce.



Finding #5-1

- Since 1999 the size of the acquisition workforce has remained relatively stable, while the volume and complexity of federal contracting has mushroomed.



Finding #5-2:

The drought in hiring, the inadequacy of training, and the increased demand for contracting have together created a situation in which there is not, in the pipeline, a sufficient cadre of mature acquisition professionals who have the skills and the training to assume responsibility for procurement in today's demanding environment.

- Frequently described as a “bathtub” situation, there appears to be an acute shortage of procurement personnel with between 5 and 15 years of experience.**
- Moreover, the relative sufficiency of the senior end of the acquisition workforce, is seriously threatened by retirements.**



- **A key challenge, accordingly, is to retain a high proportion of the senior workforce while development of the mid-level workforce goes forward.**



- There is strong competition for a limited and shrinking pool of trained and skilled procurement professionals within the federal government.
- This imbalance between supply and demand is exacerbated by the strong competition that the private sector offers the government in trying to recruit the shrinking pool of talented procurement professionals. The government is losing this competition.



- On the other hand, at least in major metropolitan areas, the government has not been able to compete very successfully for the services of talented procurement professionals who have been working within the private sector. The government does not have a salary structure and career ladders that are likely to attract experienced procurement professionals from the private sectors.
- The slowness of the government's hiring process has also been an obstacle to hiring talented people for the acquisition workforce.



Finding #5-3:

A widely noted result of the inadequacy of Acquisition Workforce personnel resources to meet the demands of procurement government-wide is that scarce resources have been skewed toward contract formation and away from contract management.



Finding #5-4:

- **Inadequacy in the acquisition workforce is, ultimately, “penny wise and pound foolish,” as it seriously undermines the pursuit of good value for the expenditure of public resources.**



Finding #6:

Most federal agencies have not engaged systematically in human capital planning for the federal acquisition workforce. Few agencies have systematically assessed their acquisition workforce in the present or for the future.



Finding #7:

Despite the variations in the way the acquisition workforce has been defined and counted over time and among agencies, no one is counting contractor personnel that are used to assist, support and augment the Acquisition Workforce. Thus we lack accurate information about the extent to which acquisition functions have been and are being carried out with the assistance of contractor personnel.



- **Evidence before the panel and the experience of panel members nonetheless makes clear that many agencies make substantial use of contractor resources to carry out their acquisition functions.**
- **We also lack information with which to determine whether reliance on contractor personnel is saving money.**



Finding #8:

Use of contractor support for acquisition activities may be appropriate, but careful attention must be paid to the potential for organizational conflicts of interest that may be engendered by this practice.



Finding #9-1

Testimony before the Acquisition Advisory Panel by leaders of private sector organizations indicates that sophisticated private sector organizations employ a corps of highly sophisticated, highly credentialed and highly trained business managers to carry out the sourcing, procurement and contract management functions that they undertake.



Finding #9-2:

The government lacks comparable staffing for these functions. If we expect the government to take advantage of the practices of successful commercial organizations, we need to close this gap by recruiting, training and retaining sufficient procurement professionals with appropriate capability.



- For successful modern businesses, the acquisition function is regarded as a key contributor to the bottom line. Investment in a state-of-the-art acquisition workforce is essential to profitability.
- Similarly, investment in the federal acquisition workforce is critical to mission success and obtaining best value for the expenditure of public resources.



Finding # 10

The pace of acquisition reform initiatives has outstripped the ability of the federal acquisition workforce to assimilate and master their requirements so as to implement these initiatives in an optimal fashion. An important objective of Acquisition Workforce initiatives should be to allow the Workforce to catch up with the last twelve years of acquisition reform, as well as to meet additional demands that will be imposed by the recommendations of this panel on non-workforce topics.



- Insisting that the acquisition workforce be enabled to catch up with the demands of the procurement workload and the transformed demands of procurement reform is not hostile to the cause of procurement reform. Rather, it is an essential step in attempting consistently to achieve good value for the expenditure of public resources.
- Investment in the acquisition workforce should therefore yield an extremely rewarding return on that investment.



PROPOSED RECOMMENDATIONS



1-1. Data Collection and Workforce Definition

- We need to ensure, going forward, that consistent and sensible definitions of the acquisition workforce are in place, and that accurate data is consistently collected about all of the relevant categories.



1-2. Data collection and workforce definition

- Data should be collected both about the narrow contracting specialties and about the broader acquisition-related workforce, in consistent fashion, over time, and across agencies.



1-3 Data Collection and Workforce Definition

- The Office of Federal Procurement Policy should take responsibility for prescribing a consistent definition of the Acquisition Workforce applicable to civilian federal agencies.
- In collaboration with DoD, a consistent approach should be adopted to measuring the acquisition workforce for civilian and military agencies.



1-4. Data Collection and Workforce Definition

- We need to find a means of consistently measuring the contribution of contractor personnel to the work of acquisition.



2-1. Qualitative Assessment

- Agencies human capital planning for the acquisition workforce needs to address the adequacy of existing resources in meeting each agency's procurement needs. It is not sufficient that contracts are actually entered. The standard should instead be, whether the government is able to optimize the contribution of private sector capabilities, secured through the market, to the accomplishment of federal agency missions.



2-2. Qualitative Assessment

- In short, the question is “are we properly staffed and trained to do a good job in acquisition”?



3-1. Human Capital Planning for the Acquisition Workforce

- In each agency, the Chief Acquisition Officer should be responsible for creating and implementing an Acquisition Workforce Human Capital Strategic Plan designed to assess and meet the agency's needs for acquisition workforce.



3-2. Human Capital Planning for the Acquisition Workforce

- Agency CAOs should be responsible for measuring and predicting, to the extent possible, the agency's needs for procurement personnel.



3-3. Human Capital Planning for the Acquisition Workforce

- It is not sufficient simply to try to retain and manage existing personnel resources. Resources needed must be identified and gaps between needed resources and available resources must be forthrightly acknowledged.



3-4. Human Capital Planning for the Acquisition Workforce

- Assessment of the role played by contractor personnel in the acquisition workforce should be part of the strategic plan.
- The strategic plan should consider whether the current use of contractor personnel to supplement the acquisition workforce is efficient or not.



4. The time to begin workforce enhancement is now!

- Despite problems with the existing data about the federal acquisition workforce, it is clear that the existing workforce is in many agencies inadequate to meet the challenges of today and even more inadequate to meet the acquisition challenges of the future.
- Because of the skewed workforce demographics that have resulted from the cutbacks and personnel ceilings of the last decade, aggressive hiring and training for an expanded acquisition workforce cannot await further study.



4-1: Need to recruit talented entry level personnel.

- A government-wide acquisition internship program should be established to try to attract first rate entry level personnel into acquisition careers.



4-2 Hiring Reform Necessary

- In order to compete effectively for desirable personnel we need to identify and eliminate obstacles to speedy hiring of acquisition workforce personnel.



4-3. Need to Retain Senior Workforce

- We need to create incentives for qualified senior acquisition workforce personnel to remain in the acquisition workforce



4-4 Need to develop a more unified acquisition workforce

- One important way to improve retention of qualified personnel within the federal acquisition workforce is to expand opportunities for such personnel to secure advancement by moving to different organizations within the federal government.



4-5 Training

- Stable, assured and adequate funding must be provided for training of the broad acquisition workforce, not just for those in contracting specialties.
- The acquisition workforce credentials and training standards of DAWIA and the Clinger-Cohen Act must be achieved without general reliance on waivers of those requirements.



5. An Acquisition Workforce Focus is Needed in OFPP

- There should be established in the Office of Federal Procurement Policy a senior executive with responsibility for Acquisition Workforce Policy.
- This executive should be responsible for receiving and reviewing the Acquisition Workforce Human Capital Strategic Plans created and maintained by agency CAOs. {Should this include approval?}
- This executive should be responsible for coordinating government-wide efforts to recruit, train, and retain an adequate Acquisition Workforce.



6-1. Blended Workforce

- Consistent with the framework of the findings and recommendations of the Appropriate Role working group, agencies need to retain the core capabilities to:
 - Determine their requirements
 - Select contractors
 - Oversee contract performance



6-2. Blended Workforce

- Contractors can supplement the resources of agencies in performing their acquisition functions, but must not
 - Infringe the core functions noted above
 - Act in areas that create a conflict of interest for the organizations involved, or for individual personnel



6-3. Blended Workforce

- Agencies must have in place affirmative safeguards to assure that supplementation of the Acquisition Workforce with contractor support does not create organizational conflicts of interest.

