

Acquisition Workforce Working Group

For Discussion Purposes Only



Working Group Objectives:

- ✍ To explore whether the federal acquisition workforce possesses the skills necessary for successful service acquisition in the areas being addressed by the Section 1423 Panel



Working Group Objectives

- ✍ To ensure that agencies plan successfully for human capital needs so as to meet the demands that will be placed on the acquisition workforce in the future

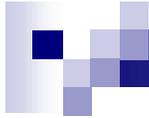


Overview of the Acquisition Workforce Working Group's Study: 4 Components



1. The Definition

✍ What Constitutes the Acquisition Workforce?



2. The Roles

- ✍ What tasks are we asking our Acquisition Workforce to carry out?



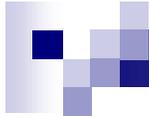
3. The Competencies

- ✍ What skill sets are required for acquisition personnel successfully to carry out the roles that we demand of our acquisition workforce?
- ✍ What information do we possess regarding the inventory of skills and capabilities available within the existing acquisition workforce?

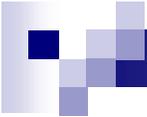


4. Standards

- ✍ What ethical constraints should govern the acquisition workforce in securing services through government-wide and interagency contracts, performance-based acquisition, and use of commercial practices?



What We Know and What We Need to Know



1. Defining the Acquisition Workforce

- ✍ There is no agreed-upon government-wide definition of the acquisition workforce available today.
 - ✍ Clearly personnel in GS-1102 positions are the starting point for delineating the federal acquisition workforce
 - ✍ But this cannot be the outer limit of the acquisition workforce because it takes much too narrow a view of the acquisition process



Defining the Acquisition Workforce

- ✍ Historically, in accounting for the ***civilian*** acquisition workforce we have employed a much narrower definition than that which has been employed in DoD



DoD Acquisition Workforce Definition

- ✍ The Refined Packard Model currently employed by DoD takes a broader, more functional, view of whom to include in the acquisition workforce, including traditional procurement occupational categories as well as others performing functions related to procurement



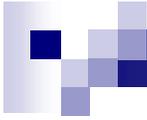
The Data: DoD Acquisition Workforce

- ✍ Using this broad, functional definition, the Defense Acquisition, Technology and Logistics workforce totaled 132,593 civilian and military personnel on September 30, 2002



The Definition Matters

- ✍ By contrast, the Federal Acquisition Personnel Information System (FAPIS), restricted to 6 traditional procurement occupational categories, showed an acquisition workforce of only 31,000 for DoD.



The Definition Matters

- ✍ Accordingly, it makes a critical difference whether we define the acquisition workforce broadly enough to capture the true dimensions of the acquisition function today.



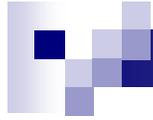
Work Underway

- ✍ OFPP has under way a review of Policy Letter 97-01, which has in the past provided for a relatively narrow and traditional definition of the acquisition workforce.
 - ✍ This is clearly a significant opportunity to update to a more forward-looking definition of the acquisition workforce



A working objective for our panel:

- ✍ Can we identify and recommend a consistent approach for government-wide definition of the acquisition workforce?



2. The Roles



2. The Roles

- ✍ The Roles that the acquisition workforce is asked to fulfill have changed dramatically as a result of procurement reforms of the last decade or more



Impact of Procurement Reform

- ✍ One aspect of this is the shift to best value procurement in the place of an approach that focused exclusively on lowest price



Impact of Procurement Reform

- ✍ Intertwined with this shift has been the desire to allow government to avail itself of the best solutions that the commercial marketplace could provide



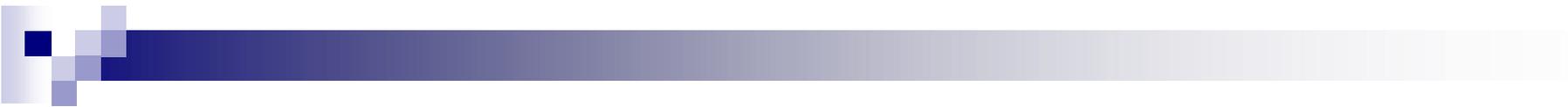
Impact of Procurement Reform

- ✍ Procurement reform has simplified the acquisition process for a host of smaller and commercial item procurements, but the bulk of taxpayer dollars are still spent through much more complex procurement processes



Multiplicity of Objectives

- ✍ The Acquisition Workforce is challenged by the need to consider multiple objectives that may be in competition in particular situations.



Multiplicity of Objectives

✍ As summarized in the Federal Acquisition Regulation, these include:

- ✍ Achieving best Value for the government customer
- ✍ Minimizing the administrative cost of procurement
- ✍ Conducting business with integrity, fairness and openness, and
- ✍ Fulfilling relevant public policy objectives



Multiplicity of Objectives

- ✍ Precisely because acquisition must pursue these multiple competing interests, the task of the acquisition workforce is an inherently difficult one.



Functional aspects of the acquisition workload

- ✍ The acquisition workforce confronts a myriad of discrete tasks. But the basic functions that the workforce must fulfill can be summarized as four items:



Functional roles in the acquisition workload

- ✍ Business advisor
- ✍ Facilitator
- ✍ Supply chain manager
- ✍ Strategic Advisor



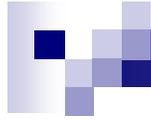
DoD Acquisition Mission and Resource Challenges

- ✍ It is appropriate to pay special attention to the special challenges facing the Defense Department that affect the acquisition mission.
- ✍ These include:
 - ✍ The need to modernize the DoD force structure including expensive and technologically demanding projects
 - ✍ The need to maintain the existing inventory of equipment that is both aging, and subject to very heavy use because of the high intensity of military operations under current world conditions.



DoD Mission and Resource Challenges

- ✍ Competing budgetary priorities and budgetary resource constraints that place a great premium on efficient use of available resources
- ✍ The prevalence of high technology purchases that add complexity to the acquisition workload
- ✍ DoD has also experienced a striking shrinkage of the acquisition workforce and aging of the remaining workforce



3. The Competencies



A Dynamic Challenge

- ✍ The problem of matching the acquisition workforce to the demands of federal acquisition is far from a static one.



A Dynamic Challenge:

- ✍ Most obviously, the dollar volume of federal contracting for services has been rapidly expanding



A Dynamic Challenge:

- ✍ Second, we have had a substantial contraction in the traditionally defined acquisition workforce over the last decade or so.
- ✍ And recent projections continue to show a high proportion of the remaining workforce will be eligible to retire relatively soon.



A Dynamic Challenge

- ✍ The problem is not just quantitative, a problem of growing workload and shrinking workforce, however.
- ✍ Rather, as a result of the procurement reforms of the last decade there has been a substantial qualitative change in the demands made on the acquisition workforce



Qualitative change in procurement work

 GAO has observed:

 Procurement reforms have placed unprecedented demands on the acquisition workforce. For example, contracting specialists are required to have a greater knowledge of market conditions, industry trends, and the technical details of the commodities and services that they procure.

(GAO-03-443, at page 20)



Workload Trends

- ✍ The trends affecting the acquisition workload appear to be complex and somewhat subtle.
- ✍ While the purchase card program has reduced the number of smaller contracting actions GAO reports that the number of larger contracting actions has grown dramatically



Areas of focused growth

- ✍ More specifically, the kinds of services acquisition that are of interest to this panel have been focal areas for contracting growth:



Areas of focused growth:

- ✍ GAO has reported dramatic growth in:
 - ✍ Use of government-wide and interagency contracting vehicles
 - ✍ And use of streamlined procedures for acquisition of commercial items



Problem Area

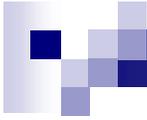
- ✍ In addition the targets for Performance-Based Services Acquisition established by OMB continue to ramp up
- ✍ At the same time, however, GAO studies suggest that many government agencies have had difficulty meeting targets for PBSA.



Workforce Implications re: PBSA

✍ On the basis of these disappointing findings, GAO has questioned “whether agencies have a good understanding of performance-based contracting and how to take full advantage of it.”

(GAO-02-1049, at 8)



Workforce Implications

- ✍ This plainly suggests that the existing workforce should be examined to ensure that it offers the capabilities that will be needed to make good on the promise of procurement reform



Inventory of Necessary Skills

- ✍ The Federal Acquisition Institute has undertaken several useful studies to try to inventory the kinds of skills that will be demanded of the civilian acquisition workforce for the future.



DoD Acquisition Workforce Planning

- ✍ DoD has also made efforts through its Acquisition 2005 Task Force to assess and define the capabilities needed for the DoD acquisition workforce of the future.



Agency Human Capital Planning

- ✍ The task of gauging the workload demand for these competencies has thus far been left to individual agencies, as part of their human capital planning process.
- ✍ The same is true of efforts to assess the degree to which the existing procurement workforce actually possess the required capabilities identified in studies like DoD and FAI's.



The Status of Agency Human Capital Planning

- ✍ Within the last few years GAO has examined the status of human capital planning efforts for the acquisition workforce both at DoD and at selected civilian agencies.



At DoD:

- ✍ At DoD, GAO found that human capital planning efforts to address the needs for a an acquisition workforce to meet the challenges of the future were underway, but it was too early to assess their ultimate effectiveness.



On the Civilian Side:

- ✍ GAO found more variation among the civilian agencies that it surveyed as to the state of progress of human capital planning for the acquisition workforce.



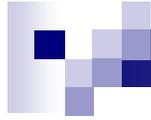
Need for better data

- ✍ However, as of the end of 2002, GAO concluded that civilian agencies lacked reliable, consistent and complete data on their acquisition workforces, including data on the knowledge and skill base of the existing workforce



More working goals:

- ✍ To assess the state of efforts to improve data collection on the composition and skills of the acquisition workforce.
- ✍ To assess the state of agency human capital planning for the acquisition workforce needs of the future



4. Ethics and Standards



4. Ethics and Standards

Oversight Relating to Expanding Commercial Practices and Performance-based Contracting in Government

- ✍ Do expanding PBSA and commercial practices for services raise a special red flag or warrant special consideration from an ethics/oversight view?
- ✍ Is there anything unique in the formation or evaluation of a PBSA contract that raises any special issues?
- ✍ Conversely, does PBSA offer a way to enhance oversight and promote ethics?



Some Initial Observations...

- ✍ Ethics and Oversight in government acquisition are understandably high on minds of policymakers and the public
- ✍ You cannot manage by “exception;” you must manage by the “rule”
- ✍ Ethical violations are exceptions—an you can never build a system that will prevent bad decisions or fraudulent behavior in all respects
- ✍ There is a concern that the lapses of a few will lead to over-regulation of the acquisition system—imposing burden and costs on the taxpayer
- ✍ You CAN build a system that maximizes flexibility within clear ethical standards



Issues to Consider

- ✍ **PBSA**: As a way to enhance focus on performance, accountability and transparency in government contracting
 - ✍ Provides hard data on cost and performance achievement of acquisition decisions
 - ✍ Investing time and energy here will be of greater benefit to taxpayers than other inquiries
- ✍ **Performance Standards**:
 - ✍ How do we evaluate “best value” and “past performance reviews” on bids received?
 - ✍ Should government REVISE definition of PBSA to mandate standards for how certain activities would be conducted (i.e. applying government ethics standards for government activities to contractor activities on behalf of government?)



Directions for the Future for the Acquisition Workforce Working Group



Directions for the Future

- ✍ To identify and recommend a consistent approach for government-wide definition of the acquisition workforce
- ✍ To assess the state of efforts to improve data collection on the composition and skills of the acquisition workforce
- ✍ To assess the state of agency human capital planning for the acquisition workforce needs of the future



Directions for the Future

- ✍ To evaluate whether expanding use of PBSA, commercial practices and government-wide and interagency contracts raises any distinctive issues warranting concern from an ethics/oversight point of view