



**The Acquisition 2005 Task Force  
Final Report**

**SHAPING  
THE CIVILIAN ACQUISITION  
WORKFORCE OF THE FUTURE**

*Prepared for*

**The Under Secretary of Defense,  
Acquisition, Technology and Logistics**

*and*

**The Under Secretary of Defense,  
Personnel and Readiness**

**October 2000**



OFFICE OF THE SECRETARY OF DEFENSE

WASHINGTON, D.C. 20301

OCT 11 2000

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS  
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DIRECTOR, ADMINISTRATION AND MANAGEMENT  
DIRECTORS OF THE DEFENSE AGENCIES  
DIRECTORS OF THE DOD FIELD ACTIVITIES

*SUBJECT: Shaping the Civilian Acquisition Workforce of the Future-*  
ACTION MEMORANDUM

The Department of Defense (DOD) is facing a crisis that can dramatically affect our Nation's ability to provide warfighters with modern weapon systems needed to defend our national interests. After 11 consecutive years of downsizing, we face serious imbalances in the skills and experience of our highly talented and specialized civilian workforce. Further, 50 percent will be eligible to retire by 2005. In some occupations, half of the current employees will be gone by 2006.

The attached report, *Shaping the Civilian Acquisition Workforce of the Future*, requires your immediate attention and action. The report provides the Department a roadmap to not only effectively manage the crisis, but to also take advantage of the tremendous opportunity we have for fundamentally reshaping our acquisition workforce. We must begin to recognize our employees as assets and then plan, develop and manage the civilian workforce as carefully as we do our military workforce. This requires we treat recruitment and development as investments rather than costs.

Your leadership commitment and resources are essential to this vital initiative. Some of the key proposals in the report include:

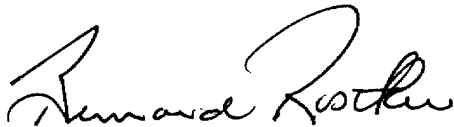
- Developing and implementing human resource performance plans

for the total acquisition workforce

- Reinvigorating civilian recruitment programs
- Developing multi-disciplinary civilian acquisition professionals
- Preparing civilians to assure key leadership roles
- Providing more civilian leadership development opportunities
- Increasing our ability to shape the workforce

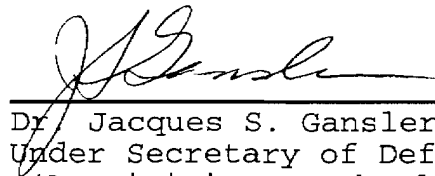
We have a unique opportunity to transform the acquisition workforce for the 21<sup>st</sup> century. With the acquisition and personnel communities working together, we will be able to meet this challenge efficiently and effectively.

We urge you to give the attached report your personal attention. If you have any questions about the document or plan, Please contact Mr. Keith Charles, (703) 578-2788.



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Dr. Bernard Rostker  
Under Secretary of Defense  
(Personnel & Readiness)



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Dr. Jacques S. Gansler  
Under Secretary of Defense  
(Acquisition, Technology  
& Logistics)

Attachment: As stated

CC:  
Deputy Secretary of Defense

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## ***EXECUTIVE SUMMARY***

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### **A CHALLENGE WITH AN OPPORTUNITY**

The Department of Defense (DoD)\* is on the verge of a crisis that the rest of the public and private sectors will also encounter—a retirement-driven talent drain. More than 50 percent of DoD’s civilian Acquisition Workforce will be eligible to retire by 2005, requiring a surge in recruiting at all levels. While addressing this challenge, the Department has a unique opportunity to shape the culture of its civilian workforce. The purpose of this report is to provide recommendations for the orderly transition of the aging DoD civilian Acquisition Workforce to meet the national security requirements of the 21st century.

### **BACKGROUND**

During this era of change, DoD has experienced a profound shift in what is expected of the Acquisition Workforce.\*\* Outsourcing, base closures, and technological innovations have created a need for a more multifunctional, multiskilled staff with advanced education and broad acquisition experience. This critical need will be exacerbated by the exodus of the baby-boomer generation, a smaller candidate pool, and fierce competition with private industry to hire the same people. Unless immediately addressed, this situation will leave many acquisition organizations without the talent, leadership, and diversity needed to succeed in the new century.

### **OBJECTIVE**

Managing and reshaping the civilian Acquisition Workforce to meet future needs will require leadership commitment, a significant investment of resources in compensation and development programs, new authorities, and, most important, a change in the traditional way that DoD manages its people. To make this transition successful, DoD must employ innovative approaches to recruiting, developing, and retaining its future workforce. Moreover, initiatives to implement these new approaches must begin by January 1, 2001, if DoD is to complete the transition of the Acquisition Workforce within 3 to 5 years to meet the demands resulting from a retirement exodus.

### **TASKING AND METHODOLOGY**

To initiate this reshaping mission, the Under Secretary of Defense for Acquisition, Technology and Logistics (USD [AT&L]) established a Task Force consisting of civilian representatives from each Military Department as designated by the Service Acquisition Executives (SAEs), the Defense Contract Management Agency (DCMA); the Defense Logistics Agency (DLA); and the Office of the Deputy Assistant Secretary of Defense for Civilian Personnel Policy (DASD [CPP]). Task Force members are listed in Appendix A. The Task Force relied on the collective advice of many people throughout the acquisition community, using a number of approaches to obtain input from industry, academia, other federal agencies, members of the Acquisition Workforce, and employee unions. This report represents the joint efforts of DoD’s acquisition and personnel communities.

The Acquisition 2005 Task Force effort has two phases: Initiative Identification and Implementation. In the first phase, after careful research and analysis of field inputs, the Task Force developed a number of initiatives that span five general themes (Strategic Planning, Recruiting and Hiring, Career Development, Workforce Management, and Quality of Life) that are discussed in detail in Chapter 2. The Task Force then grouped these initiatives into three categories: (1) What we can do immediately; (2) What we should start in the near term (these may require resourcing, additional planning, and/or policy changes); and (3) What we need legislative authority to do. In Chapter 7, the Task Force nominates several pilot projects to

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\* Acronyms and abbreviations used in this report are defined in Appendix B.

\*\* Unless otherwise specified, the term “Acquisition Workforce” refers to DoD’s civilian Acquisition Workforce.

test some of these initiatives incrementally. Finally, the analysis supporting rough order of magnitude (ROM) cost estimates for these initiatives is presented in Appendix D.

The Task Force also evaluated innovative programs and ongoing initiatives in use or being developed by some acquisition organizations. From this evaluation, the Task Force identified several existing initiatives that should be strongly supported and best practices that should be benchmarked wherever possible.

In the second phase, the Task Force will coordinate and oversee the implementation of approved initiatives and will evaluate their results to determine whether desired effects are being achieved.

## RECOMMENDATIONS

Chapters 3 to 6 present three kinds of recommendations: new initiatives, ongoing initiatives, and best practices. The Task Force recommends implementation of the initiatives, and best practices listed below. Most of these recommendations can be implemented, in whole or in part, now.

### Initiatives:

#### *What We Can Do Immediately (Chapter 3)*

1. Develop and Implement Comprehensive, Needs-based Human Resource Performance Plans for the Civilian Acquisition Workforce
2. Maximize Use of Existing Hiring Authorities
3. Maximize Use of Existing Authorities to Make Pay More Competitive
4. Expand Public and Private Sector Recruiting Efforts, and Make It Easier to Apply for DoD Acquisition Positions
5. Maximize Use of the Student Educational Employment Program (SEEP) to Recruit from Colleges and Other Sources
6. Provide Timely Certification Training
7. Provide More Career-Broadening Opportunities
8. Increase Use of Employee Incentive Programs
9. Ensure a Work-Friendly Environment

#### *Ongoing Initiatives Being Implemented Now*

- Automate the Hiring Process
- The Acquisition Workforce Personnel Demonstration Project

#### *What We Should Start in the Near Term (Chapter 4)*

10. Promote DoD's Challenging Work and Rewarding Opportunities
11. Develop Acquisition Workforce Recruiting Programs
12. Establish a Scholarship Program for the Acquisition Community
13. Establish a Central DoD Acquisition Career Management Web Site
14. Develop a Functional Manager's Recruiting, Hiring, and Retention Handbook
15. Reengineer the Hiring Process
16. Assess Competition on a Location-by-Location Basis
17. Develop a Mechanism for Acquisition Certification of Private Sector Accessions
18. Rehire Federal Annuitants Without Financial Offset
19. Establish Career Paths to Achieve Multifunctional Acquisition Professionals
20. Increase Civilian Leadership Developmental Opportunities
21. Assess the Effect of FERS on the DoD Workforce
22. Component Assessment of High-Grade Requirements
23. Improve Management of Personnel Lapse Rates
24. Conduct Entrance and Exit Surveys
25. Establish a Program to Share Best Practices within the Acquisition Workforce

#### *Ongoing Initiatives Under Development*

- Establish Career Development Plans for All Acquisition Career Fields
- Establish Special Pay Rates for Information Technology Specialists

### ***What We Need Legislative Authority To Do (Chapter 5)***

26. Convert Term Appointments to Permanent Appointments Non-Competitively
27. Establish a DoD/Industry Two-way Exchange Program
28. Encourage Job Mobility, Both Local and Geographic
29. Assess DoD Acquisition Workforce Personnel Management Authorities
30. Allow Employees to Buy Down the Early Retirement Penalty
31. Maximize Use of Return Home Visit Authority for Temporary Duty (TDY) Employees and Permit Spouse Travel As an Alternative

### ***Ongoing Initiatives Requiring Legislative Authority***

- Increase Bonus Ceilings
- Permit Initial Conversion of 401K Plans and Allow Immediate Contributions to Government's Thrift Savings Plan
- Expand VERA/VSIP Authority
- Develop a Phased Retirement Program

### ***Best Practices to Benchmark (Chapter 6):***

- Army Acquisition Corps Career Development
- Navy Acquisition Intern Program
- Air Force Materiel Command Human Resource Strategic Management Planning
- DLA Mid-Level Development Program (MLDP)
- Defense Leadership and Management Program (DLAMP)
- Secretary of Defense Corporate Fellows Program
- Automated Referral System & Resume Database

## **CONCLUSION**

Over the last decade, the rate of reduction in the civilian acquisition workforce has substantially exceeded that of the rest of the DoD workforce. This drawdown has created an imbalanced workforce facing a retirement-driven talent drain. This situation is exacerbated by a full-employment economy characterized by intense competition for the technical skills that the Department needs in this new century. DoD cannot afford to wait; it must implement comprehensive human resource performance planning to address the needs of the future Acquisition Workforce immediately and to ensure that it continues to attract high-quality people by providing challenging opportunities. America's security will depend upon an Acquisition Workforce that has the education, training, and broad experience necessary to function effectively in the demanding new business environment of the 21st century. The DoD Components must assess their human resource needs and design and implement new human resource processes to correct skills imbalances, recruit critical skills, and retain employees with the knowledge, skills, abilities, and competencies needed in this new century.

Our nation's warfighters depend on technologically superior weapon systems provided by the acquisition system. This report lays the foundation for change to enable the DoD civilian Acquisition Workforce to continue its tradition of excellence in support of the nation's warfighters in the 21st century.

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# 1. THE CHALLENGE

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## BACKGROUND

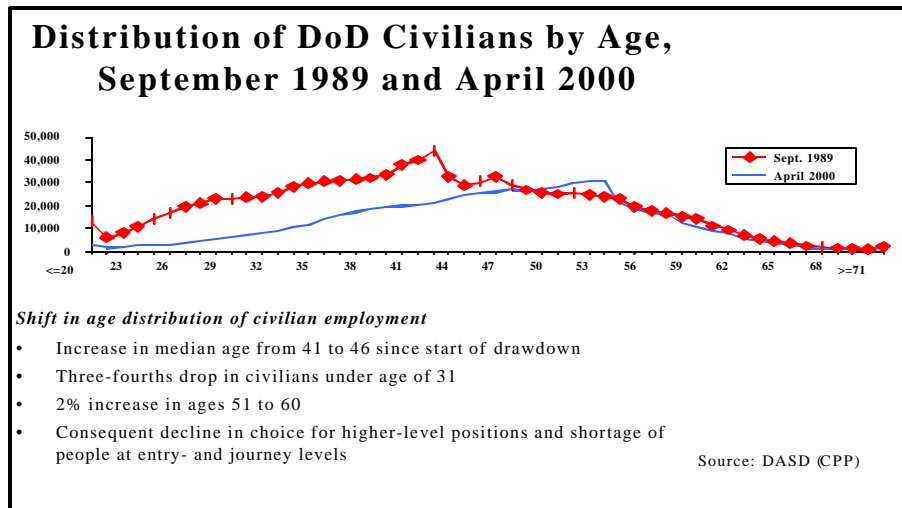
The Department of Defense (DoD) is facing a retirement-driven exodus of highly specialized civilian employees that will have a dramatic, adverse effect on its ability to provide the warfighter with the weapon systems needed to defend U.S. national interests. This situation is exacerbated by increased competition for technical talent due to a full-employment economy and a shrinking labor pool. In response to these challenges, DoD formed the Acquisition 2005 Task Force to identify initiatives that will ensure the Acquisition Workforce<sup>1</sup> is prepared for the future.

DoD has produced the finest weapon systems in the world, and the civilian Acquisition Workforce remains essential in support of the DoD mission to deter war and, when necessary, fight to win. Civilian personnel handle critical functions in the daily business of running the Defense establishment and are indispensable in managing and conducting DoD's acquisition activities.

Dr. Diane Disney, the Deputy Assistant Secretary of Defense for Civilian Personnel Policy, has stated "Unlike other kinds of organizations, DoD must always be ready for its mission.... And that doesn't mean it can be in a full state of readiness in Germany but not Korea. We have to be ready at all sites at all times."

## UNDERSTANDING THE PROBLEM

More than half of the estimated 124,400 civilian members<sup>2</sup> of the DoD civilian Acquisition Workforce will be eligible to retire by 2005.<sup>3</sup> In addition, many are now in their early fifties and occupy positions of great responsibility or have extensive experience and unique skills within their organizations. Figures 1-1 and 1-2 depict the dramatic demographic shift in the age and experience of the overall DoD civilian workforce during the last decade.<sup>4</sup> The Acquisition Workforce has the same distribution.



**Figure 1-1. Distribution of DoD Civilians by Age, 1989 and 2000**

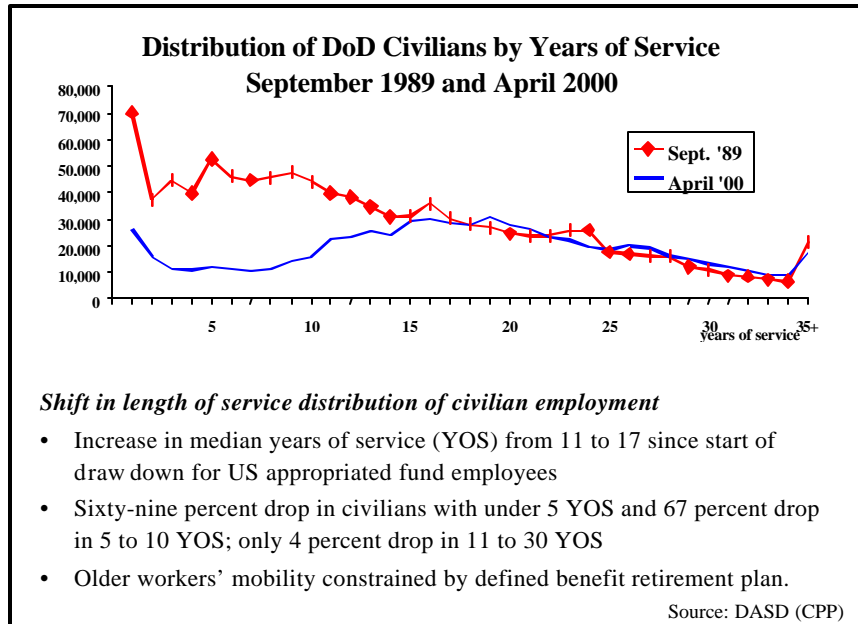
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<sup>1</sup> Unless otherwise specified, the term "Acquisition Workforce" refers to DoD's civilian Acquisition Workforce.

<sup>2</sup> 9909 Refined Packard Count (Key Acquisition and Technology Workforce Based on 30 September 1999 DMDC Data), Jefferson Solutions, May 2000.

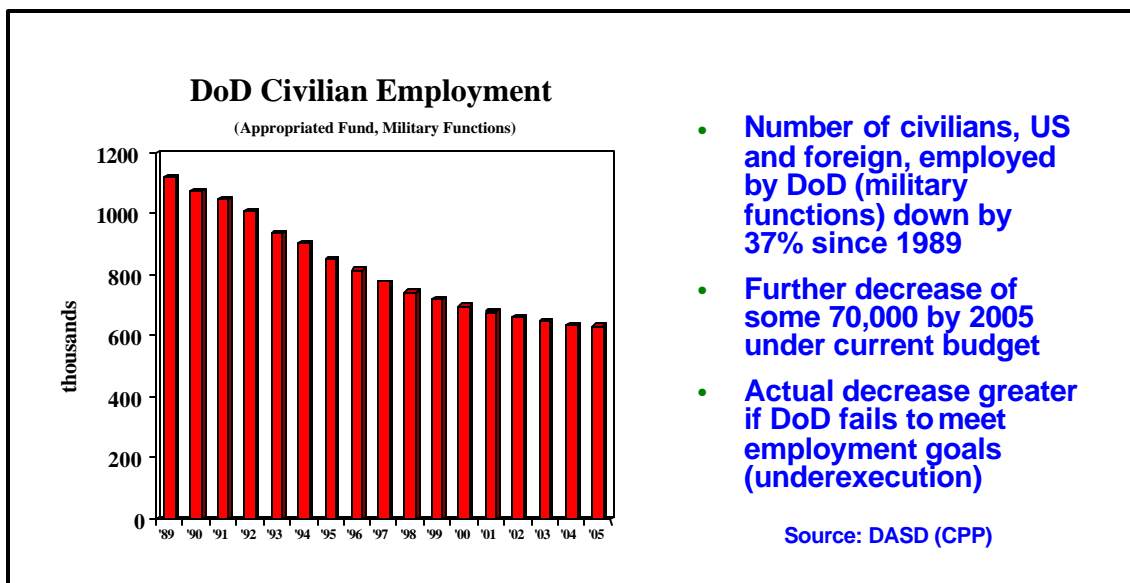
<sup>3</sup> *The Future Acquisition & Technology Workforce*, prepared for OUSD (AT&L), April 7, 2000, p.2-3.

<sup>4</sup> Testimony by Dr. Diane M. Disney, DASD (CPP), before the Military Readiness Subcommittee, House Armed Services Committee, and the Civil Service Subcommittee, House Government Reform Committee, March 9, 2000.



**FIGURE 1-2. DISTRIBUTION OF DoD CIVILIANS BY YEARS OF SERVICE, 1989 AND 2000**

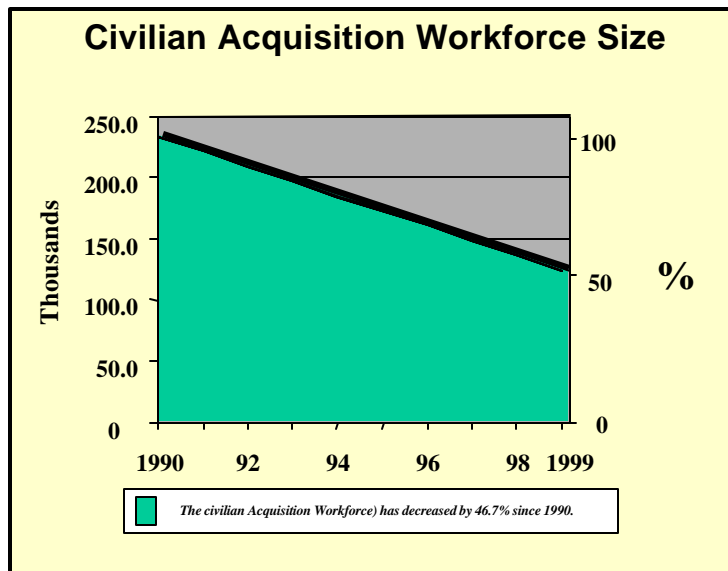
Eleven consecutive years of downsizing have brought significant changes in the overall DoD civilian workforce in terms of age, occupational profile, grade, and educational level. Between 1989 and 2000, DoD reduced its civilian workforce by more than 410,000 positions, from approximately 1,117,000 to just above 700,000—a 37 percent reduction. (See Figure 1-3.) The civilian Acquisition Workforce has declined even further. Additionally, the Office of the Secretary of Defense (OSD) projects additional losses approaching 50 percent in some key acquisition occupations primarily due to retirement over the next 5 to 6 years. Overall, OSD projects that 39 percent of the September 1999 civilian Acquisition Workforce will not be in DoD in 2005.<sup>5</sup>



**FIGURE 1-3. DOWNSIZING IMPACT ON THE DoD CIVILIAN WORKFORCE**

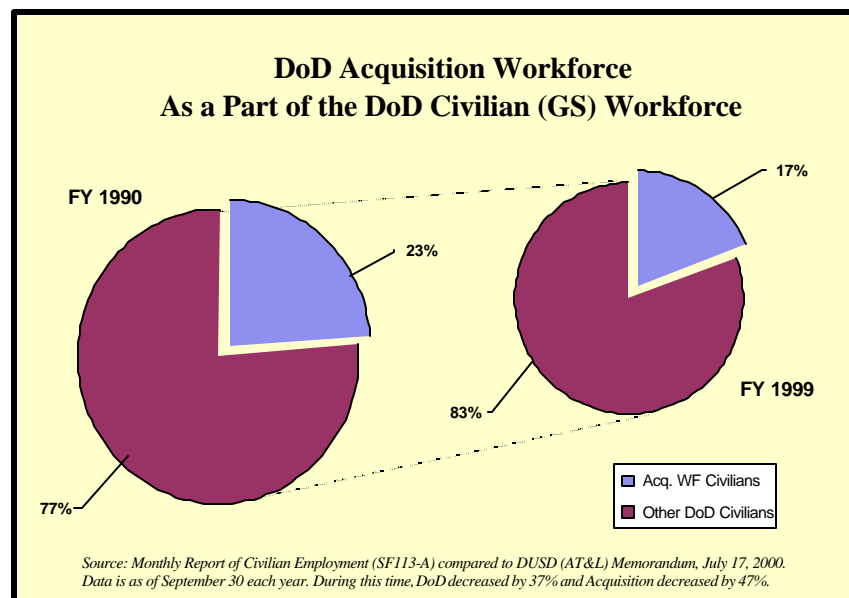
<sup>5</sup> DoD 113 Report, June 2000, adjusted for seasonal employment; source ODASD (CPP).

The rate of reduction in the civilian Acquisition Workforce has substantially exceeded that of the rest of the DoD workforce. From September 1989 to September 1999, the civilian Acquisition Workforce as defined by Congress has been drawn down by almost 47 percent (see Figure 1-4).<sup>6</sup> It has decreased longer and further than both the overall DoD civilian workforce (37 percent) and the total federal civilian workforce (almost 17 percent), making it a much smaller slice of a decreasing DoD civilian workforce (see Figure 1-5).<sup>6</sup> The USD (AT&L) has echoed a DoD IG report<sup>7</sup> stating that the Acquisition Workforce has decreased as far as it should go, adding that it may have to increase despite more outsourcing in the future to meet approved program requirements in the FYDP.



**FIGURE 1-4. ACQUISITION WORKFORCE SIZE**

One consequence of this decade of change is that DoD has undergone a profound shift in the expectations it has of its civilian Acquisition Workforce. Commercial outsourcing, base realignments and closures, and technological innovations have increased the need for employees to develop new skills through continuing education and training. The nature of work is also changing as advanced technology, increased contract oversight requirements, and a more complex mission create the need for more multifunctional, multiskilled workers with higher education, more advanced certifications, and increased capability.<sup>8</sup> The combination of reduced hiring and the retirement of the baby-boomer generation threaten to produce a massive talent and leadership vacuum in many civilian departments. Taken together, these factors have created a workforce that is very different from its predecessors.



**FIGURE 1-5. DoD ACQUISITION WORKFORCE AS A PART OF THE DoD CIVILIAN WORKFORCE**

<sup>6</sup> *The Fact Book, Federal Civilian Workforce Statistics*. OPM, September 1999.

<sup>7</sup> *DoD Acquisition Workforce Reduction Trends and Impacts*. Office of the Inspector General, Department of Defense, Report No. D-2000-088, February 29, 2000.

<sup>8</sup> *The Future Acquisition & Technology Workforce*, (commonly known as the Johnson Report), prepared for OUSD (AT&L), April 7, 2000, pp. 2-3,4 and p. 9-1.

## **THE PURPOSE**

The purpose of this report is to develop a replenishment strategy for DoD's civilian Acquisition Workforce and to recommend initiatives to promote an orderly transition to an Acquisition Workforce capable of coping with the management challenges of the 21st century. The Acquisition 2005 Task Force considered initiatives in the areas of strategic planning, recruiting and hiring, career development, workforce management, and quality of life. It also developed recommendations within existing authority that can be accomplished immediately and in the near term, and identified legislative proposals to give DoD greater flexibility to manage its civilian Acquisition Workforce. The goal must be to ensure DoD can attract and retain enough people with the right skills to support future mission needs.

In the future, civilian acquisition workers will face increased challenges, but they will also have unprecedented opportunities to play an even broader leadership role throughout the acquisition community. The Task Force is convinced that DoD must revolutionize its acquisition culture by providing flexible solutions that build upon competencies and leadership within a multifunctional civilian Acquisition Workforce. To effect the transition from the existing workforce to a multifunctional workforce prepared to solve the problems of the new millennium, DoD will need to adopt new and innovative approaches to recruiting, retaining, and developing its employees in order to attract and keep high-quality people. Moreover, this transition will require 3 years or longer. Accordingly, these initiatives must be implemented now. Managing and reshaping the civilian Acquisition Workforce to meet current and future needs is a critical task requiring leadership commitment, new tools, and, most important, a change in traditional DoD thinking.

The Task Force believes that the Department should foster a sense of community throughout the Acquisition Workforce. That sense of community should be based on valuing the differences in people, fostering an environment of mutual trust and respect, promoting professional and personal growth, creating a supportive environment for others, recognizing that sharing of information promotes the full participation of the workforce, and respecting and valuing individual contributions in meeting customers' needs.

## **DEFENSE ACQUISITION WORKFORCE IMPROVEMENT ACT (DAWIA)**

The 1990 Defense Acquisition Workforce Improvement Act, Title 10 U.S.C. 1701-1764, focuses on improving the effectiveness of the people and processes that comprise the Defense Acquisition System. Congressional intent was to improve the quality of the Acquisition Workforce through enhanced education, training, and career development, thus improving the acquisition process. Understanding the provisions of DAWIA and fully utilizing the authority it provides are essential to implementing many of the initiatives recommended in this report. (See Appendix E.) The acquisition community has done much to implement the tenets of DAWIA, with excellent results. (A year 2000 baseline review of programs that implement DAWIA provisions has been completed; it is listed in the Additional References at Appendix G.) But the challenges of the next decade described above will require a redoubling of efforts and additional innovative initiatives that build on the foundation established by DAWIA.

## **ON MANAGING HUMAN CAPITAL<sup>9</sup>**

There is a common awakening across the federal government to the fact that people are its greatest asset. The Comptroller General of the United States, Mr. David M. Walker, is at the forefront in emphasizing the need for the federal government to place greater emphasis on developing and retaining its human resources. The General Accounting Office (GAO) uses the term "human capital" rather than personnel or

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<sup>9</sup> Managing in the New Millennium: Shaping a More Efficient and Effective Government for the 21<sup>st</sup> Century. Testimony presented by David M. Walker, Comptroller General of the United States, to Congress on March 29, 2000. [<http://www.gao.gov/>].

human resources because doing so emphasizes that employees are important assets whose value can be further increased by investment, and that organizational performance capacity increases with that value. In a statement before Congress, Mr. Walker stated:

“The government’s human capital management has emerged as the missing link in the statutory and management framework that Congress a Comptroller General of the United States and the executive branch have established to provide for more businesslike and results-oriented federal government. ... Federal employees should be viewed not as costs to be cut, but as assets to be valued. Only when the right employees are on board and provided the training, technology, structure, incentives and accountability to work effectively is organizational success possible. Modern strategic human capital management recognizes that employees are a critical asset for success, and that an organization’s human capital policies and practices must be designed, implemented, and assessed by the standard of how well they support the organization’s mission and goals.

**“Federal employees should be viewed not as costs to be cut, but as assets to be valued.”**

... To meet the changing environment, federal agencies need to give human capital a higher priority than ever before and rethink how their workforces are developed and deployed to enhance achievement of organizational performance goals.”

## SUMMARY

Demographics and downsizing have given DoD a unique window of opportunity to reshape its civilian Acquisition Workforce to meet future challenges. A common perception is that the Department already has a wide range of tools. In reality, however, many of the personnel authorities available today are either not well understood or are no longer as effective as they were previously. Some authorities reflect a “one-size-fits-all” approach that has evolved within a highly structured system over many decades, and they are no longer well suited to DoD’s current needs.

The DoD civilian Acquisition Workforce of 2000 is very different from that of 1989 in terms of age, technology skills, educational level, and expectations. Also, the requirements for the workforce of 2005 will be significantly different from those of today. Therefore, DoD needs to seize this historic opportunity by developing and employing innovative initiatives to make appropriate changes in the Acquisition Workforce and its culture. DoD’s overall civilian workforce remains the largest part (about 40 percent) of the federal government workforce, so both the public and private sectors will carefully watch how DoD meets the challenge of transforming its workforce in the 21st century.

Now is the time to act.

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## 2. RECOMMENDATIONS & THEMES

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### RECOMMENDATIONS FROM THE FIELD

As described in Appendix C, the Task Force received more than 920 proposed changes to personnel and career management policies and procedures. The Task Force researched and analyzed all of the suggestions, combined duplicates, grouped similar ideas, and then assessed their impact and feasibility to develop its recommendations. The proposals fall into five broad themes, all of which support the dual need to recruit and retain quality people by providing challenging and satisfying jobs (often expressed by the USD [AT&L] as Quality People/Quality Jobs). The themes are:

- *Strategic Planning*
- *Recruiting/Hiring*
- *Career Development*
- *Workforce Management*
- *Quality of Life.*

The following sections examine each theme. Subsequent chapters list the Task Force’s recommended initiatives and discuss them in further detail.

### STRATEGIC PLANNING

The quality of the Acquisition Workforce is critical to the successful implementation of DoD’s national defense strategy and to meeting changing warfighter needs. Shifting market conditions, an increasing tempo of military deployments, and the need for joint and coalition operations demand different experience and skill levels. However, current Defense planning strategies do not include an overarching civilian human resources vision or plan. People are assets whose value can be enhanced through investment thus increasing an organization’s overall performance capacity. Improving the ability to forecast workforce needs is an increasingly urgent necessity. A needs-based human resources (HR) performance plan would give priority to key issues, needs, and concerns, and ensure an adequate quantity and quality of people in the future Acquisition Workforce to support the nation’s security needs.

**People are assets whose value can be enhanced through investment thus increasing an organization’s overall performance capacity.**

The most far reaching Task Force initiative establishes a requirement for needs-based human resource strategic planning by establishing annual HR performance plans as part of an organization’s strategic planning process. It is a key enabler for many of the other initiatives.

### RECRUITING AND HIRING

Continued high economic growth, coupled with low unemployment rates, has dramatically increased competition for high-quality, well-educated, and highly trained employees in both the government and private sector. DoD needs more effective recruitment and hiring strategies and tactics to position itself competitively in this growing “talent war.” DoD civilian recruitment programs must be innovative to meet today’s demands and flexible to satisfy tomorrow’s needs. To give DoD a competitive edge, it must upgrade its use of current technologies and be at the forefront in the application of new tools and ideas. DoD already provides challenging opportunities and quality work early in one’s career—a significant competitive advantage over the private sector.

It is imperative that DoD launch an aggressive recruitment program targeted at entry-, journey-, and senior-level management positions and designed to replace approximately half of its civilian Acquisition Workforce by 2005. DoD's ability to recruit for and fill these positions under current labor market conditions (particularly the need for a high number of journey-level fills) hinges on successfully promoting its rewarding work, offering comparable pay and incentives, forming strategic liaisons with universities, developing and implementing the right recruitment tools, and providing adequate resources.

**Recruiting must be innovative to meet today's demands and flexible to satisfy tomorrow's needs.**

The hiring methods used by DoD for all levels of the Acquisition Workforce are crucial to successful mission accomplishment. Increased awareness and use of existing hiring and pay-setting authorities, expedited coordination between OPM and DoD, and improved processes can lead to major improvements in the hiring process. DoD senior leaders focus on competing for the best and follow up that commitment with sufficient resources.

The dominant perception is that DoD takes too long to hire personnel. Management and human resource professionals must be committed to changing this perception by using all available authorities and technology and by providing the appropriate resources to ensure success in making timely offers. The Task Force recommends that DoD enhance and expand its campus relationships and recruitment programs and implement a more streamlined hiring process. Delegated Examining Authority (DEA)<sup>10</sup>, Student Educational Employment Program (SEEP), Presidential Management Intern (PMI) program, Outstanding Scholar Program, and Federal Career Intern Program are tools that give DoD tremendous flexibility in hiring from colleges and other sources.<sup>11</sup>

DoD also needs to make it easier for people to learn about and apply for jobs as well as provide timely feedback to applicants. Ongoing efforts to automate the hiring process will streamline the application and referral processes and make it easy to apply for a job any where, anytime.

Human Resource support staffs must partner with the acquisition functional managers to expand the HR function beyond the traditional one of providing personnel-related administrative services. Human Resource management must be a part of an overall organization strategy.

In summary, DoD needs to promote itself as an exciting place to work with challenging opportunities, significant advancement, excellent benefits, experience, career development, and a high quality of life. DoD has to be creative and innovative in its recruiting and hiring efforts to attract high quality people at all levels into the workforce. Implementation of the Task Force's recruiting and hiring initiatives will help DoD by providing more competitive salaries, timely job offers, greater grade and pay flexibility, and expedited coordination internally and externally.

Twenty Task Force initiatives address Recruiting and Hiring requirements.

## **CAREER DEVELOPMENT**

Members of the civilian Acquisition Workforce must be better prepared to assume key leadership positions while adapting to the rapidly changing environment within DoD. To prepare the future workforce, we must describe the functional and leadership competencies required for acquisition career development at all levels. OPM is establishing functional and universal competencies that can be leveraged to assist in the development of individual career paths. In addition, DoD must continue to invest in its people to make them more valuable, give them challenging and rewarding jobs that make them want to stay, and make them competitive for promotion.

Career development includes education, training, and experience. Enabling education and training is a core supervisory responsibility, and supervisors must be committed to providing education and training

<sup>10</sup> See page F-1 for an explanation of DEA.

<sup>11</sup> Appendix F explains the personnel programs and the terminology used in this report.

opportunities both at temporary duty (TDY) locations and the workplace. Early in their careers, acquisition professionals develop job proficiency and functional expertise, as well as obtaining acquisition certification in their primary career fields. At the mid-career point, the focus shifts to increasing the depth and breadth of experience.

To prepare individuals for key leadership positions, the Task Force recommends that DoD increase civilian leadership development opportunities for employees who have achieved Level III DAWIA certification in their primary career fields. It also should identify competencies required for success in these leadership positions. Although some acquisition professionals will choose to specialize in one career field, many of tomorrow's leaders will need multifunctional expertise. Therefore, we must devise career paths to enable the development of multifunctional acquisition professionals as well as preparing employees through the use of programs such as the Defense Leadership and Management Program (DLAMP) and the Executive Leadership Development Program (ELDP).

**Invest in people to make them more valuable and give them challenging and rewarding jobs**

In addition, members of the Acquisition Workforce need to increase their awareness of the functions and missions of other agencies, the Military Departments, and private industry. Rotational assignments among those entities will further enhance career-broadening experiences and develop well-rounded leaders for tomorrow. Functional mobility across occupations and organizations at the same location, as well as geographic mobility, can also provide tremendous broadening experiences needed to meet the challenges of tomorrow.

Finally, timely acquisition certification training must be available to all employees. Enabling education, training, and leadership development is a core supervisory responsibility, and supervisors must be committed to providing education, training, and leadership opportunities both at TDY locations and in the workplace.

Eleven Task Force Initiatives address Career Development needs.

## **WORKFORCE MANAGEMENT**

Emerging technologies, globalization, downsizing, demographics, human capital concerns, and new national security threats will drive the civilian Acquisition Workforce environment of the 21st century.

That shifting environment is manifesting itself in a variety of ways: a tight U.S. labor market resulting in a bidding war for talent, the globalization of technology, and new asymmetric threats. To position our Acquisition Workforce to meet future national security requirements, we must be able to respond quickly. Modifications to DoD civilian personnel authority have occurred in recent years, increasing its ability to respond to change. However, existing authorities are not well understood by many within the workforce, especially those regarding initial pay-setting and recruitment, retention, and relocation bonus authorities.

While current civilian workforce authority provides some flexibility, it is not enough to achieve the necessary cultural change in values and processes needed to form the Acquisition Workforce of the 21st century. Within current authority, there is not sufficient flexibility to retain institutional knowledge, maintain and enhance technical competencies, and reshape the skills mix and numbers in its workforce. In key technology areas such as information technology, science, and engineering, personnel with technical competencies must be acquired, maintained, and enhanced continuously. To assist in those activities, senior leaders should consider greater use of Interagency Personnel Act (IPA) agreements. The IPA provides for the temporary assignment of personnel between the federal government and colleges and universities, federally funded research and development centers, and other non profit organizations. Such appointments would assist in maintaining and replenishing technical competencies in the federal workforce.



The Senate version of the National Defense Authorization Act For Fiscal Year 2001, Section 812, calls for the Secretary to provide recommendations to improve personnel management laws, policies, or procedures with respect to the Acquisition Workforce. Section 812 also states that “the Secretary shall submit” a report on the “sufficiency of the acquisition and support workforce of the Department of Defense.” Further, Congress has called for a plan “to ensure that the defense acquisition and support workforce is of sufficient size and has the expertise necessary to obtain needed products and services at the best price.” As DoD develops recommendations, it must explore the full range of options necessary to recruit, retain, and reshape its workforce. An alternative hiring system that includes the category ranking, a shortage and critical-need hiring authority, and exceptional academic qualifications or special experience hiring authority is critical to move the workforce into the 21st century. Proposed changes to existing personnel laws, policies, and procedures must consider:

**W**orkforce shaping is the key enabler for the transition to the workforce of tomorrow

- Merit system principles and merit-based organizational values
- Delegation of hiring authority to the lowest possible level
- Increased recruiting and staffing flexibility
- Increased use of automation and simplified human resource management systems
- Increased functional management involvement in qualifying, rating, ranking, and selecting candidates
- Market-based compensation, pay for contribution, and negotiation of vacation time for new hires from the private sector at journey and senior levels
- Expedited recruitment of leading technical and administrative professionals for Executive Service Appointments
- Additional workforce shaping tools.

Fifteen Task Force initiatives support Workforce Management requirements.

## QUALITY OF LIFE

DoD needs to increase its flexibility to respond to the quality of life needs of the Acquisition Workforce. Quality of life will become an increasingly important factor in our ability to recruit and retain talented individuals in the future and should be promoted as a significant benefit, especially considering the very tight labor market in the U.S. The more flexible that we become in providing a workforce with the ability to balance work and personal needs, the more productive we will be in meeting the warfighters’ changing needs. Some of the key factors that influence employee quality of life include morale, flexible work schedules and practices, and maximizing personal time.

Recognition, both monetary and non-monetary, is an important tool in maintaining employee morale. Although DoD does not have the capability to match all private sector incentives, it can provide cash awards, Quality Step Increases, and non-monetary awards to reward employees. In addition, awards of additional time off, public recognition ceremonies, and appropriate certificates or plaques enhance employee morale and should be embraced more often.

Flexible work schedules enable employees to balance work/personal demands and are useful recruitment and retention tools. They enable managers and supervisors to meet their program goals while allowing employees to be more flexible in scheduling personal activities. As employees gain greater control over their time, they can, for example, balance work and personal responsibilities more easily, become involved in volunteer activities, and take advantage of educational opportunities.

**P**romote morale and retention by balancing work and personal life

Six Task Force initiatives affect Quality of Life issues.

## **TASK FORCE INITIATIVES**

The Task Force recommends 31 initiatives. Many of them will be difficult to develop—the easy solutions already have been implemented. They also will require tough choices, strong leadership commitment, and sustained resources. Some will require legislation or policy changes, but most can be implemented immediately or in the near term. Subsequent chapters list the Task Force’s recommended initiatives by category (do now, start soon, and seek legislation) and discuss each in detail. The chapters also include recommended implementation actions, OPR, initial implementation suspense, and a first-order estimate of the cost. The rough order of magnitude (ROM) cost analysis for each initiative is presented in Appendix D.

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### **3. WHAT WE CAN DO IMMEDIATELY**

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The Task Force identified nine initiatives that are fully within DoD authority to implement immediately. They are described below and summarized in Table 3-1 at the end of this chapter.

<b>Initiative #1—Develop and Implement Comprehensive, Needs-based Human Resource Performance Plans for the Civilian Acquisition Workforce</b>
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Develop action-oriented annual performance plans focused on civilian Acquisition Workforce human resource requirements with specific goals. They should be based on the current workforce projected/modeled into the future to account for demographic and mission changes and compared against the people and skills needed to accomplish future mission requirements, and they should encompass the entire personnel life cycle. DoD Components should include a detailed needs analysis (i.e., identify the gaps and mismatches) and incorporate initiatives (from this report and others developed by the planning organization or directed by OSD) to alleviate forecast shortfalls and realign any overages. They should also integrate these annual performance plans into existing strategic and performance planning and PPBS processes.

To support the performance planning process, DoD should develop a workforce-planning model for the Acquisition Workforce (similar to existing military models). The model should be used to prepare a detailed needs analysis and a demand report that addresses workforce sizing, retirement, demographics, and career fields and grades and defining recruiting needs.

Data, analysis, and modeling are the foundations of good planning. In addition, design, development, and fielding of a comprehensive decision support system and easy access workforce modeling data are critical to an effective HR performance planning effort. Designing successful workforce management programs and succession plans requires an analytical set of tools to define future requirements, assess the current workforce, age that workforce across time, quantitatively identify future personnel needs, and establish performance metrics to gauge success. It also requires a cadre of experts skilled in modeling and the use of these tools. The acquisition community must identify the knowledge, skills, cognitive abilities, competencies, education, training, breadth of experience, and other important measures of "what it takes to excel" in each career track. Finally, OSD, Military Departments, and Defense Agencies must put in place developmental programs to reshape the force.

The primary mission of today's leaders is to develop and create the leaders of tomorrow. DoD needs to invest in its Acquisition Workforce in order to reap a high level of proficiency and be prepared to meet the challenges of the 21st century. As people develop, the performance capacity of the organization increases, which brings better value to the warfighter. Devising and implementing an HR performance plan for the Acquisition Workforce will enable DoD to:

- Identity future needs
- Better align military and civilian work to meet needs
- Focus on investments
- Merge human capital strategies with DoD core business practices
- Enhance the recruiting, retention, and development of talented people.

These plans should be integrated with DoD's overall strategic and performance planning and budgeting processes in accordance with the Government Performance and Results Act (GPRA). The plans should

also encompass the 10 key principles identified in GAO's *Human Capital, Key Principles from Nine Private Sector Organizations*:

- Treat human capital management as being fundamental to strategic business management.
- Integrate human capital functional staff into management teams.
- Leverage the internal human capital function with external expertise.
- Hire, develop, and sustain leaders according to leadership characteristics identified as essential to achieving specific missions and goals.
- Communicate a shared vision that all employees, working as one team, can strive to accomplish.
- Hire, develop, and retain employees according to competencies.
- Use performance management systems, including pay and other meaningful incentives, to link performance to results.
- Support and reward teams to achieve high performance.
- Integrate employee input into the design and implementation of human capital policies and practices.
- Measure the effectiveness of human capital policies and practices.

**Implementation**—AET&CD, in conjunction with the ODASD (CPP), will provide guidance by October 30, 2000, to the DoD Components<sup>12</sup> for the development and implementation of needs-based HR performance plans for the Acquisition Workforce. These performance plans must be supported by the programming and budgeting process, and integrated into existing strategic and performance plans. These plans will be forwarded to the USD (AT&L) for review and approval by July 1, 2001. They subsequently will be reviewed and revalidated annually.

**Estimated Cost**—\$2.27M initially and then \$1.30M annually.

## **Initiative #2—Maximize Use of Existing Hiring Authorities**

Make full use of all existing hiring authorities and processes, including Delegated Examining, Term Appointment authority, SEEP, PMI, Outstanding Scholar, and Federal Intern Programs. The Task Force advocates maximum delegation of authority to the appointing authority level for recruitment bonuses, retention allowances, and pay-setting whenever possible. Possession of examining authority is key to accelerating the hiring process; it is always available by request to the ODASD (CPP) through appropriate channels. In addition, hiring officials should reengineer the hiring process to reduce hiring cycle times with customer service as a key metric. One way to accelerate and maintain shorter timelines is to maximize use of automated tools such as resume databases under the Modern Defense Civilian Personnel Data System. (See also the Ongoing Initiative at the end of this chapter to automate the Hiring Process.)

**Implementation**—Service Acquisition Executives, Defense Agency<sup>13</sup> Directors, and Manpower Executives should review their hiring policies to ensure that they are not unnecessarily restrictive and report the results of their reviews to AET&CD by January 15, 2001. DoD Components should identify Best Practices to AET&CD (see Initiative 25). Commanding officers and administrators at all levels should strongly consider seeking Delegated Examining Authority. [ODASD (CPP) and AET&CD will jointly develop and distribute a Recruiting, Hiring, and Retention Handbook; see Initiative #14 in the Workforce Management section].

**Estimated Cost**—Within current budget authority.

<sup>12</sup> Throughout this report DoD Components includes the Military Departments, Defense Agencies, Defense Field Agencies, and other DoD organizations as defined by law.

<sup>13</sup> Throughout this report, the term "Defense Agencies" is used collectively to include the Defense Field Agencies and other Defense organizations that contain Acquisition Workforce members.

### **Initiative #3—Maximize Use of Existing Authorities to Make Pay More Competitive**

Make initial offers and salaries more competitive with the private sector by maximizing use of available pay-setting and bonus authorities (Superior Qualification Appointments, recruitment and relocation bonuses, and student loan payback authority). Many functional managers do not fully understand all of the authorities currently available to assist them in making more competitive offers.

**Implementation**—Hiring officials should implement the pay-setting authority guidance provided by ODASD (CPP) as soon as it is available. [ODASD (CPP) will include pay-setting guidance in the Recruiting, Hiring, and Retention Handbook to be distributed by January 15, 2001. See Initiative #14.]

**Estimated Cost**—To be determined by DoD Components from within existing budgets and in accordance with results of the studies recommended in Initiative #16.

### **Initiative #4—Expand Public and Private Sector Recruiting Efforts, and Make It Easier to Apply for DoD Acquisition Positions**

Expand recruiting efforts to encompass all sources—industry, academia, DoD, and other federal agencies—and make it easier for qualified candidates to apply for DoD acquisition positions. Structure job announcements and screening criteria so that those candidates outside the organization, command, or agency can also qualify for selected positions.

**Implementation**—DoD Components should develop job announcements and screening criteria that increase interest in DoD vacancies and encourage inquiries from both internal and external (public and private sector) candidates. Identify successes that AET&CD can share across the acquisition community as part of Initiative 25.

**Estimated Cost**—\$0.68M.

### **Initiative #5—Maximize Use of the Student Educational Employment Program (SEEP) to Recruit from Colleges and Other Sources**

Target college and university students with critical skills early in their student years as part of DoD's advertising strategy. Structuring summer employment to showcase the challenging opportunities in acquisition careers could significantly increase the number of students who elect to work for DoD after graduation. For example:

- Establish an Acquisition Summer Intern program to involve college students with acquisition career fields. The program should be structured to allow students to become involved in a formal project, the outcome of which could be presented to senior management officials at the end of the internship.
- Offer recruiting bonuses to co-op and intern students who convert to full-time employees upon graduation from college.

**Implementation**—DoD Components should review SEEP opportunities and take maximum advantage of them not later than March 31, 2001. Incorporate planning for SEEP in annual human resource performance plans (Initiative #1).

**Estimated Cost**—Within current budget authority.

### **Initiative #6—Provide Timely Certification Training**

In accordance with DAWIA, provide training required for certification in a timely manner.

- Manage training quotas aggressively.

- Advertise and promote Defense Acquisition University (DAU) alternative courses.
- Expand the use of distance and Web-based learning.

**Implementation**—Director (AET&CD) will establish a process to assess acquisition training requirements, review DAU’s training offerings, and resource apportionment plans to satisfy them. Initial review should be completed by March 1, 2001. Reviews should be accomplished annually.

**Estimated Cost**—AET&CD and DAU have included funding requirements in current budget plans.

### **Initiative #7—Provide More Career-Broadening Opportunities**

Provide career-broadening opportunities for Level II and III certified professionals through rotational assignments. Assignments should be for a minimum of 1 year. Allow employees to select local area (primary) or geographic mobility/rotation options. Promote rotations:

- Within a Military Department, Defense Agency, or Defense Field Activity
- To another DoD Component
- With other federal departments or agencies.

**Implementation**—DoD Components should develop career-broadening program plans by July 1, 2001, and then implement them. Include multifunctional career paths (Initiative #19) and reflect career-broadening planning in annual human resource performance plans (Initiative #1).

**Estimated Cost**—\$1.02M one-time cost and then \$2.04M annually.

### **Initiative #8—Increase Use of Employee Incentive Programs**

Increase use of employee incentive programs focusing on rewarding individual and team performance; such as recognition and awards, gain sharing, and Quality Step Increases (QSIs).

**Implementation**—DoD Components should increase their employee awards incentive pool budgets from 1.00 percent to 1.25 percent of civilian personnel budgets. They should review and maximize use of other recognition programs such as QSIs and gain sharing by December 31, 2000.

**Estimated Cost**—\$15.47M annually.

### **Initiative #9—Ensure a Work-Friendly Environment**

Maximize the use of alternative work schedules (including flexible work hours and compressed work schedules), and telecommuting (consistent with the organization’s mission) for all levels of employees.

**Implementation**—DoD Components should review and take maximum advantage of available programs by December 1, 2000. Refer to existing ODASD (CPP) policies.

**Estimated Cost**—Within existing budgets.

## ***Ongoing Initiatives:***

The Task Force also recognized two ongoing efforts that hold significant promise for helping shape the Acquisition Workforce of the future. Both are already being implemented and should be fully supported. These efforts are detailed below:

### **Automate the Hiring Process**

Continue efforts to automate the hiring process throughout the Acquisition Workforce via automated referral systems and resume databases. The Civilian Personnel Management Service (CPMS) is currently automating the hiring process by integrating RESUMIX with the Modern Defense Civilian Personnel Data System (DCPDS).

**Implementation**—This ongoing initiative is sponsored by ODASD (CPP). The Task Force strongly supports its implementation.

### **The Acquisition Workforce Personnel Demonstration Project**

The purpose of the DoD Civilian Acquisition Workforce Personnel Demonstration Project (Acquisition Demonstration Project) is to enhance the quality, professionalism, and management of the Acquisition Workforce through improvements in the efficiency and effectiveness of the HR management system. It seeks to provide managers, at the lowest practical level, the authority, control, and flexibility they need to adopt high-quality acquisition processes and products and to respond to changing market conditions. This project uses a system designed to retain, recognize, and reward employees for their contribution, and to support their personal and professional growth.

Project interventions strive to achieve the best workforce for the acquisition mission, adjust to workforce change, and improve workforce quality. Key features of the demonstration project include streamlined hiring, broad-banding, a simplified classification system, and a contribution-based compensation and appraisal system. The project also offers Delegated Examining Authority and modified term appointments that give organizations greater control over the hiring process. Broad-banding combines numerous occupational series into three career paths and groups several grade levels into pay bands with no steps. The simplified classification system replaces OPM classification standards with six contribution factors and replaces multiple position descriptions with generic position requirements documents. Through annual performance evaluations, the contribution-based system links employees' compensation to their on-the-job contributions.

This project is tailored to the mission and needs of the Acquisition Workforce. Currently, DoD Components have approximately 5,000 employees participating in the project. Those employees are located in 63 locations worldwide. In close consultation with employee union associations, the DoD Civilian Acquisition Workforce Personnel Demonstration Program Management Office is refining the project by incorporating lessons learned. For additional information on the DoD Civilian Acquisition Workforce Personnel Demonstration Project, visit its web site at <http://www.acqdemo.com>.

**Implementation**—This ongoing initiative is sponsored by OUSD (AT&L).

Table 3-1 summarizes those Initiatives that are within current authority and can be implemented immediately.

**TABLE 3-1. INITIATIVES WE CAN DO IMMEDIATELY**

Initiative	Theme				
	Strategic Planning	Recruiting and Hiring	Career Development	Workforce Management	Quality of Life
1. Develop and Implement Comprehensive, Needs-based Human Resource Performance Plans for the Civilian Acquisition Workforce	✓				
2. Maximize Use of Existing Hiring Authorities		✓			
3. Maximize Use of Existing Authorities to Make Pay More Competitive		✓		✓	
4. Expand Public and Private Sector Recruiting Efforts, and Make It Easier to Apply for DoD Acquisition Positions		✓			
5. Maximize Use of the Student Educational Employment Program (SEEP) to Recruit from Colleges and Other Sources		✓			
6. Provide Timely Certification Training			✓		
7. Provide More Career-Broadening Opportunities			✓		
8. Increase Use of Employee Incentive Programs					✓
9. Ensure a Work-Friendly Environment					✓
<b><i>Ongoing Initiatives</i></b>					
• Automate the Hiring Process		✓			
• The Acquisition Workforce Personnel Demonstration Project		✓	✓	✓	



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## **4. WHAT WE SHOULD START IN THE NEAR TERM**

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The Task Force identified 16 initiatives that are within current DoD authority but require further planning, preparation, resource allocation, or policy change. They hold the promise of major near term benefits, and they should begin as soon as possible. These initiatives are described below:

### **Initiative #10—Promote DoD’s Challenging Work and Rewarding Opportunities**

Develop and implement a comprehensive advertising program to inform the general public, through the professional media, about DoD and the challenging career opportunities available in its Acquisition Workforce.

**Implementation**—ODASD (CPP) and AET&CD should jointly establish and chair a working group with representatives from the DoD Components (including functional managers and public affairs representatives). They also should consider hiring a marketing firm assist them to develop a plan that promotes DoD by March 15, 2001.

**Estimated Cost**—1.5M annually.

### **Initiative #11—Develop Acquisition Workforce Recruiting Programs**

Develop comprehensive recruiting programs for the Acquisition Workforce that recognize the continued need for workforce diversity. These programs should include the following:

- Develop local recruiting strategies, including affirmative employment plans designed to achieve a diverse workforce and implement the HR strategic management plans.
- Train and prepare functional managers and new hires to support recruiting efforts.
- Develop and provide functional managers with recruiting materials.
- Form close partnerships with college and university leaders.
- Develop criteria and establish an incentive/recognition program that rewards employees who nominate candidates for hard-to-fill positions, provided those candidates are hired and remain for a specified period of time.

**Implementation**—DoD Components will develop implementation strategies by July 31, 2001, and initiate recruiting programs. Reflect recruiting plans in annual human resource performance plans (Initiative #1).

**Estimated Cost**—\$3.40M first year and then \$1.15M annually.

### **Initiative #12—Establish a Scholarship Program for the Acquisition Community**

Establish a scholarship program for students seeking positions in the civilian Acquisition Workforce, and give students progressively more responsible positions each summer (perhaps rotating through various functions/locations) and a permanent position upon graduation. The program should include payment of college tuition, fees, books, and a stipend; summer internship positions; an appropriate service commitment; and a competitive selection process. It should be centrally managed and target both undergraduate and graduate programs in acquisition areas identified as in demand in the DoD Components’ annual needs-based human resource performance plans (see Initiative 1).

**Implementation**—AET&CD shall establish a working group with DoD Components and DAU representation by October 31, 2000, to develop a scholarship program for the Acquisition Workforce in accordance with Title 10 USC, section 1744, Chapter 87.

**Estimated Cost**—\$1.36M first year and then \$7.48M annually.

### **Initiative #13—Establish a Central DoD Acquisition Career Management Web Site**

Establish a central Web site for the Acquisition Workforce that identifies acquisition job vacancies similar to monster.com and hotjobs.com, and serves as a promotional tool to “get the word out” to interested parties.

**Implementation**—Director, AET&CD, will develop a Web site that includes Acquisition Workforce job vacancies by March 31, 2001

**Estimated Cost**—\$1.36M initially and then \$0.37M annually.

### **Initiative #14—Develop a Functional Manager’s Recruiting, Hiring, and Retention Handbook**

Since many functional managers do not fully understand current personnel authorities or how to use them, the Task Force believes that DoD must communicate the current recruiting, retention, relocation, and pay authorities to them by developing a comprehensive, user-friendly recruiting, hiring, and retention handbook.

**Implementation**—AET&CD, in conjunction with ODASD (CPP), will develop a handbook for functional managers, make it available to members of the Acquisition Workforce, and disseminate it broadly by January 15, 2001.

**Estimated Cost**—\$0.26M.

### **Initiative #15—Reengineer the Hiring Process**

Reengineer the hiring process in order to streamline hiring and reduce cycle time. Revising or waiving policies to remove impediments to rapid hiring along with increased use of automated tools such as resume databases will make DoD more competitive with the private sector.

**Implementation**—DoD Components should review their hiring processes. The reengineered processes should include reduced cycle time and a timely and effective feedback process to keep applicants informed. This review, along with appropriate timelines and metrics for implementation, should be completed by January 1, 2001.

**Estimated Cost**—\$0.36M.

### **Initiative #16—Assess Competition on a Location-by-Location Basis**

Most civilian acquisition personnel are located in 10 acquisition population centers, including Dayton, OH; Huntsville, AL; and Arlington, VA. Local functional managers and appointing officials have an urgent need to understand the private sector competition in their local areas in order to identify actions that should be taken and incorporated into their annual HR performance plans (Initiative #1). This initiative calls for undertaking studies to obtain that understanding.

**Implementation**—AET&CD, in consultation with ODASD (CPP), should conduct a study that assesses private sector competition in the 10 acquisition population centers. The study should be completed by January 15, 2001. Based on the results of that study, AET&CD will work closely with DoD Components to develop special rate requests, where necessary, and to provide them to ODASD (CPP) for submittal to OPM.

**Estimated Cost**—\$1.92M first year and then \$0.51M annually.

### **Initiative #17—Develop a Mechanism for Acquisition Certification of Private Sector Accessions**

When DoD begins to recruit more acquisition professionals from the private sector, it needs a mechanism for assessing experience, education, and training so that appropriate levels of certification can be provided quickly. This initiative develops such a mechanism.

**Implementation**—The Director of AET&CD will develop a strategy for certification of Acquisition Workforce accessions from the private sector by January 15, 2001.

**Estimated Cost**—\$0.17M.

### **Initiative #18—Rehire Federal Annuitants Without Financial Offset**

Seek delegation of authority to rehire federal retirees on a case-by-case basis when DoD has encountered difficulty in recruiting or retaining qualified candidates for particular positions. Federal annuitants are a source of critical acquisition skills and should be used as a “gap filler” for up to 3 years for the purpose of knowledge transfer. Rehiring federal annuitants without financial offset (similar to recent military compensation relief legislation) would provide a substantial financial incentive for them to perform critical acquisition work.

**Implementation**—AET&CD, in conjunction with ODASD (CPP), should seek delegation of authority from OPM, through the Director of Administration Management, to authorize rehiring of federal retirees, without financial offset, for critical Acquisition Workforce requirements. Delegation should be requested by December 15, 2000.

**Estimated Cost**—No additional costs are associated with this initiative.

### **Initiative #19—Establish Career Paths to Achieve Multifunctional Acquisition Professionals**

Identify and support the development of multifunctional acquisition career professionals while recognizing the continued need for technical career paths for all of the members of the Acquisition Workforce by doing the following:

- GS-5 to 9—Develop functional expertise and achieve functional Level II DAWIA certification.
- GS-9 to 13—Broaden selected employees by providing experience, training, and education to gain functional expertise and Level II DAWIA certification in other acquisition fields.
- GS-13 to 15—Achieve Level III DAWIA certification in primary career field, then acquire certification in multiple career fields; make leadership positions more generic so that applicants from diverse occupational backgrounds can compete for them.
- Provide orientation programs to new hires at all levels so they can better understand the warfighting mission and customers.

**Implementation**—Functional Advisors,<sup>14</sup> working closely with the DoD Components, will define multifunctional career paths, and AET&CD will prepare a program and implementation plan by March 31, 2001.

**Estimated Cost**—\$2.71M annually.

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<sup>14</sup> The Functional Advisors (FAs) are the principal advisors to USD (AT&L) for their respective acquisition career areas on workforce career development matters. They represent all personnel in their functional area; establish position category descriptions; develop education, training, and experience requirements; and establish career field requirements and certification levels.

## **Initiative #20—Increase Civilian Leadership Developmental Opportunities**

Provide more civilian leadership development opportunities. These opportunities should:

- Offer leadership training appropriate to each grade level. Develop programs for supervisors and managers that provide guidance on personnel management practices that enhance the work environment and promote retention.
- Stress the critical role of first level supervisors in retaining talented employees.
- Designate positions as “leadership opportunities” and rotate personnel through on a two- to three-year basis.
- Identify acquisition leadership positions at senior management level.
- Enable competition among multiple functional disciplines for key positions by broadening job descriptions, position requirements, and selection criteria.
- Compete, in accordance with DAWIA, acquisition leadership positions between military and civilians.
- Expand the DLAMP program to include non-governmental rotational assignments. [Ongoing Initiative at ODASD (CPP)], and develop a pre-DLAMP program for GS-9s through GS-12s as recommended by the Defense Science Board’s Task Force on Human Resources Strategy.
- Encourage mentoring/coaching at all levels.

**Implementation**—DoD Components will develop implementation plans to increase civilian leadership development opportunities by July 1, 2001. Compete military and civilian candidates for leadership positions in accordance with DAWIA, and promote mentoring/coaching at all levels. Incorporate leadership development in annual human resource performance plans (Initiative #1).

**Estimated Cost**—\$2.72M first year and then \$1.36M annually.

## **Initiative #21—Assess the Effect of FERS on the DoD Workforce**

Assess the impact of the Federal Employees Retirement System (FERS) on the civilian workforce (particularly the Acquisition Workforce) and determine whether changes are needed to be more effective in the evolving marketplace. This initiative increases DoD’s ability to transfer and retain critical knowledge in the civilian workforce.

**Implementation**—ODASD (CPP) will assess the impact of FERS on the civilian Workforce and report the results with recommendations to USD (P&R) and USD (AT&L) by July 1, 2001.

**Estimated Cost**—\$0.17M.

### **Initiative #22—Component Assessment of High-Grade Requirements**

The DoD Components have been assigned high-grade ratios as a guide to managing high-grade positions. High-grade management should not bar individuals who are performing duties at a higher grade from being promoted nor should it foster misclassification of positions. High-grades ratios can be adjusted on the basis of changes in mission, workload, or structure. DoD high-grade policy is currently under review by ODASD (CPP).

**Implementation**—Pending revision of high-grade policy, DoD Components should use the HR performance planning process to assess whether projected changes in mission, workload, or structure are expected to result in additional high-grade requirements. High-grade requirements should be addressed in their needs-based HR performance plans submitted to USD (AT&L) by July 1, 2001, under Initiative #1. Upon subsequent out year implementation of these changes, the plan may be used as the basic requirements documentation for submission to Component(s) headquarters to justify additional high-grade allocations, and if necessary to ODASD (CPP) for revisions to Component(s) high-grade ratios.

**Estimated Cost**—Included in cost of developing needs-based HR performance plans (Initiative #1).

### **Initiative #23—Improve Management of Personnel Lapse Rates**

Improve management of personnel strength by increasing emphasis on efforts to reduce personnel lapse rates (representing the gap time until a personnel vacancy is refilled). Better lapse rate management can foster transfer of knowledge from departing personnel.

**Implementation**—DoD Components will develop metrics to assess lapse rates and seek ways to decrease them. By March 31, 2001, the DoD Components should evaluate and implement alternatives for better management of unused personnel budget account resources resulting from vacancies.

**Estimated Cost**—No additional funds required.

### **Initiative #24—Conduct Entrance and Exit Surveys**

Conduct entrance and exit surveys to determine where problems exist to allow management to adjust recruiting, hiring, and retention efforts. Functional managers should be involved in assessing the results.

**Implementation**—ODASD (CPP) and AET&CD will jointly develop entrance and exit survey programs for the DoD Components by January 31, 2001.

**Estimated Cost**—\$0.77M one-time cost and 0.085M annually.

### **Initiative #25—Establish a Program to Share Best Practices within the Acquisition Workforce**

Establish a DoD Acquisition Workforce program that solicits, recognizes, and shares “best practices” across the Acquisition Workforce. Consider using an Acquisition Workforce Web site (see Initiative #11) to aid communication.

**Implementation**—AET&CD will develop and establish guidelines by January 1, 2001, and implement the program by January 15, 2001.

**Estimated Cost**—No additional funds required.

### ***Ongoing Initiatives:***

The Task Force also identified two ongoing initiatives that are in progress or about to start. They will require some time to fully develop, resource, and implement. These initiatives are summarized below:

#### **Establish Career Development Plans for All Acquisition Career Fields**

- Establish requirements for advancing to each career level. Use *The Future Acquisition & Technology Workforce Report* to describe relevant competencies in detail.
- Provide training and experience to master the career advancement requirements.
- Identify training and experience that must be successfully accomplished to be competitive for promotion or assignment to key leadership positions.
- Use existing training authorities to offer accelerated promotions at six-month intervals.

**Implementation**—AET&CD, Functional Advisors, career area Functional Integrated Process Teams, and Military Service DACMs are establishing civilian Acquisition Workforce career development plans. The Task Force strongly supports their efforts.

#### **Establish Special Pay Rates for Information Technology Specialists**

Special pay rates will increase DoD's ability to attract and retain information technology specialists. OPM is conducting a study to determine IT pay disparities. Thirty eight Agencies responded to OPM's call for data, and their reports are being analyzed to determine which specialties and locations justify special pay rates. A preliminary report is expected in November 2000.

**Implementation**—A report is expected in November, and initial implementation is expected by January 2001. The Task Force strongly supports this initiative.

Table 4-1 summarizes the 16 initiatives that are within current authority but require additional planning, preparation, resourcing, and/or policy change. Initiatives that should receive priority are identified here by an asterisk. Implementation priorities are discussed further in Chapter 7. However, all initiatives in this chapter should be begun as soon as possible to maximize their near-term benefits.

**TABLE 4-1. INITIATIVES WE SHOULD BEGIN NEAR TERM**

Initiative	Theme				
	Strategic Planning	Recruiting and Hiring	Career Development	Workforce Management	Quality of Life
10. Promote DoD's Challenging Work and Rewarding Opportunities		✓			
11. Develop Acquisition Workforce Recruiting Programs		✓			
12. Establish a Scholarship Program for the Acquisition Community		✓			
13. Establish a Central DoD Acquisition Career Management Web Site		✓	✓		
14. Develop a Functional Manager's Recruiting, Hiring, and Retention Handbook*		✓		✓	
15. Reengineer the Hiring Process*		✓			
16. Assess Competition on a Location-by-Location Basis*		✓			
17. Develop a Mechanism for Acquisition Certification of Private Sector Accessions*		✓	✓		
18. Rehire Federal Annuitants Without Financial Offset*		✓		✓	
19. Establish Career Paths to Achieve Multifunctional Acquisition Professionals			✓		
20. Increase Civilian Leadership Developmental Opportunities			✓		
21. Assess the Effect of FERS on the DoD Workforce				✓	
22. Component Assessment of High-Grade Requirements				✓	
23. Improve Management of Personnel Lapse Rates				✓	
24. Conduct Entrance and Exit Surveys				✓	
25. Establish a Program to Share Best Practices within the Acquisition Workforce*				✓	
<b>Ongoing Initiatives</b>					
• Establish Career Development Plans for All Acquisition Career Fields			✓		
• Establish Special Pay Rates for Information Technology Specialists		✓			

\* Initiatives in this chapter recommended for priority implementation.

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## 5. WHAT WE NEED LEGISLATIVE AUTHORITY TO DO

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The Task Force recommends that DoD develop six legislative proposals to obtain new authorities to meet the objectives of this report. OUSD (AT&L) should be prepared to brief these proposals to the Transition Team and introduce them through DoD's Unified Legislation and Budget (ULB) process. Two of these proposals have some aspects that are within DoD's authority, and they should be partially implemented immediately. The legislative initiatives are described below:

<b>Initiative #26—Convert Term Appointments to Permanent Appointments Non-Competitively</b>
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The ability to convert term employees into permanent employees offers DoD and the employee the opportunity to make sure the job is a good fit. DoD should seek legislative authority to offer term appointments that can lead to noncompetitive conversion to permanent positions for organizations not in the Acquisition Demonstration. This ability would be an important recruiting and workforce shaping tool.

**Implementation**—AET&CD and ODASD (CPP) will jointly develop a legislative proposal by January 15, 2001, in full consultation with DoD Components' union employee associations. The legislative proposal should be coordinated with the DoD Components, and AET&CD should be prepared to brief the Transition Team for possible inclusion in the ULB process.

**Estimated Cost**—No additional costs are associated with this initiative.

<b>Initiative #27—Establish a DoD/Industry Two-way Exchange Program</b>
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Create a two-way exchange program between government and the private sector. Its objective should be to establish a two-way flow of personnel between DoD and industry, without implying the need for a one-to-one job swap. The exchange assignments should be for 1 to 2 years. Participants would continue to be reimbursed by their respective employers and accrue seniority as though in their original positions. By adding the ability to bring industry personnel into government, this program would significantly increase the introduction of private sector business concepts, best practices, and perspectives to the acquisition community and provide career-broadening opportunities for Level II and III certified acquisition professionals.

**Implementation**—AET&CD, in conjunction with ODASD (CPP), should develop a legislative proposal to establish a two-way DoD/industry exchange program, that includes private sector "for profit" organizations, for the Acquisition Workforce by January 15, 2001. The proposal should be coordinated with DoD Components and employee unions, and AET&CD should be prepared to brief the Transition Team for possible inclusion in the ULB process. Following development of the proposal, DoD policies and procedures must be developed to address ethical and conflict of interest issues, and potential industry-government assignments must be carefully scrutinized.

**Estimated Cost**—\$0.26M initially and then \$0.17M annually.



### **Initiative #28—Encourage Job Mobility, Both Local and Geographic**

Obtain legislative authority to permit mobility across occupations and organizations at the same location, as well as geographic mobility. Such mobility would provide tremendous broadening experiences by encouraging rotational assignments between occupations and organizations in the local area as a principal way to achieve career-broadening.

In addition, the legislative authority should include such incentives and support for geographic mobility assignments as:

- Address family mobility issues for a geographic move. Help spouses find comparable jobs in new locations through the Priority Placement Program or use of “headhunters.” Identify sponsors to support personal needs resulting from a move.
- Fund retirement moves for select civilians who have been moved to meet DoD needs (similar to existing authority for members of the SES.)

**Implementation**—The DoD Components should foster mobility opportunities and establish support programs by January 15, 2001. AET&CD should initiate legislative proposals to authorize retirement moves to home of record (similar to military and SES entitlements) for the Acquisition Workforce by January 15, 2001. The legislative proposal should be coordinated with the DoD Components, and AET&CD should be prepared to brief the Transition Team for possible inclusion in the ULB process.

**Estimated Cost**—\$5.43M annually.

### **Initiative #29—Assess DoD Acquisition Workforce Personnel Management Authorities**

Assess the need for additional DoD authorities for civilian Acquisition Workforce personnel policy and procedures, in full consultation with all stakeholders including the Components’ employee unions, and recommend changes. The assessment should encompass such things as the principles listed in the Workforce Management discussion in Chapter 2.

**Implementation**—AET&CD and ODASD (CPP) should conduct this assessment jointly and develop a legislative proposal by January 15, 2001. The legislative proposal should be coordinated with the DoD Components, and AET&CD should be prepared to brief it to the Transition Team for possible inclusion in the ULB process.

**Estimated Cost**—\$0.99M.

### **Initiative #30—Allow Employees to Buy Down the Early Retirement Penalty**

Provide employees covered by the Civil Service Retirement System and the Federal Employees Retirement System the option to offset all or part of the penalty for early retirement by making voluntary contributions to the Civil Service Retirement and Disability Fund (CSRDF). Under this authority, employees would have the option to transfer VSIP, lump sum annual leave, and other funds directly to the CSRDF. This ability would provide an additional force-shaping tool.

**Implementation**—ODASD (CPP) will develop a legislative proposal for voluntary contributions to the CSRDF by January 15, 2001. The legislative proposal will be coordinated with the DoD Components, and AET&CD should be prepared to brief it to the Transition Team for possible inclusion in the ULB process.

**Estimated Cost**—No additional costs are associated with this initiative.

**Initiative #31—Maximize Use of Return Home Visit Authority for Temporary Duty (TDY) Employees and Permit Spouse Travel As an Alternative**

Require managers to plan for, fund, and authorize return home visits for employees on long-term temporary duty using existing return home visit authority in the Joint Travel Regulations (JTR). Seek legislative authority to permit spouses, alternatively, to visit employees at the TDY location (similar to commercial sector best practice) as long as the cost is not disadvantageous to the government (i.e., on a constructive cost basis).

**Implementation**—DoD Components should encourage managers to fund and provide return home visits in accordance with the JTR. AET&CD and ODASD (CPP) should jointly develop a legislative proposal to permit spouse travel on a constructive cost basis by January 15, 2001. The legislative proposal should be coordinated with the DoD Components, and AET&CD should be prepared to brief it to the Transition Team for possible inclusion in the ULB process.

**Estimated Cost**—\$1.20M annually.

**Ongoing Initiatives:**

The Task Force also identified four ongoing legislative initiatives that are in coordination for congressional approval, but they require pending legislative action before they can be implemented. They are summarized below:

**Increase Bonus Ceilings**

Increase the proportion of salary that can be used for recruitment, retention, and relocation bonuses from 25 percent to 50 percent of base salary.

**Implementation**—This ongoing initiative is sponsored by OPM, and the Task Force strongly supports its implementation.

**Permit Initial Conversion of 401K Plans and Allow Immediate Contributions to Government's Thrift Savings Plan**

Add the ability for new hires from industry to convert existing 401K plans into the government Thrift Saving Plan and continue their contributions uninterrupted.

**Implementation**—DoD supports this ongoing congressional initiative, as does the Task Force.

**Expand VERA/VSIP Authority**

Expand the authority for use of Voluntary Early Retirement Authority (VERA) and Voluntary Separation Incentive Pay (VSIP) as workforce-shaping tools not associated with a reduction in force (RIF). This initiative would enhance managers' ability to retain the right mixture of job skills while experiencing overall downsizing.

**Implementation**—DoD supports this ongoing congressional initiative, as does the Task Force.

## Develop a Phased Retirement Program

Develop a phased retirement program for key Acquisition Workforce personnel in order to transfer critical expertise to replacements. For this initiative to have a positive force-shaping effect, it must be supported by the DoD Components.

**Implementation**—This ongoing initiative is sponsored by ODASD (CPP), and is strongly supported by the Task Force.

Table 5-1 summarizes those Initiatives that require additional legislative authority. Legislative proposal packages should be developed and submitted through the Department’s ULB process. Some of these initiatives can be implemented in part within current authority; whenever possible, DoD should implement those parts as soon as possible. The ongoing initiatives listed are currently in the legislative coordination process.

**TABLE 5-1. INITIATIVES REQUIRING ADDITIONAL LEGISLATIVE AUTHORITY**

<b>Initiative</b>	<b>Theme</b>				
	Strategic Planning	Recruiting and Hiring	Career Development	Workforce Management	Quality of Life
26. Convert Term Appointments to Permanent Appointments Non-Competitively		✓			
27. Establish a DoD/Industry Two-way Exchange Program			✓		
28. Encourage Job Mobility, Both Local and Geographic			✓	✓	
29. Assess DoD Acquisition Workforce Personnel Management Authorities		✓	✓	✓	
30. Allow Employees to Buy Down the Early Retirement Penalty				✓	✓
31. Maximize Use of Return Home Visit Authority for Temporary Duty (TDY) Employees and Permit Spouse Travel As an Alternative		✓			✓
<b><i>Ongoing Initiatives</i></b>					
• Increase Bonus Ceilings		✓		✓	
• Permit Initial Conversion of 401K Plans and Allow Immediate Contributions to Government’s Thrift Savings Plan		✓			✓
• Expand VERA/VSIP Authority				✓	
• Develop a Phased Retirement Program				✓	✓

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## **6. BEST PRACTICES TO BENCHMARK**

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This section of the report details proven, effective human resource management innovations that are being used by various DoD organizations. The Task Force identified these programs as best practices that should be benchmarked by all Acquisition Workforce organizations.

### **Army Acquisition Corps Career Development**

The Army Acquisition Corps (AAC) provides professional development, career enhancement, and education, training, and experience opportunities to Army Acquisition Workforce (AAW). Besides developing a highly competent Acquisition Workforce responsive to the Army's needs, the AAC provides a clearly defined environment that supports and encourages career progression and leadership development at all levels for both its military and civilian members. The AAC Career Development Program's best practices include the following:

#### ***Centralized Career Management Approach***

The Army is developing an integrated corps of acquisition leaders through a centralized management approach that identifies all position requirements and provides functional and leadership developmental opportunities to members of the AAW. The practice of centralizing career development and management functions empowers both military and civilian members to develop and execute personal career development plans tailored to their own professional goals as well as the requirements of the Army. The acquisition record brief is a one page snapshot that facilitates a centralized approach by provides a means of tracking each workforce member's current organization, experience, education, training, and certifications, which facilitates the identification of well-qualified candidates to fill critical acquisition position vacancies.

#### ***Regional Support System***

The AAC has established Regional Support Offices to decentralize human resources support and provide AAW members easy access to information on job opportunities. Acquisition Career Managers (ACMs) reside at these offices to help workforce members achieve their career objectives. The advantage of this arrangement is that members of the workforce can meet face-to-face with a career specialist within their regions to explore options and develop personal career outlines. Previously, employees were responsible for researching these opportunities.

#### ***Leadership Development for Journey Level***

The AAC also has established the Competitive Development Group (CDG) Program. Each year, GS-12/13 acquisition professionals are competitively selected to participate in this program, which is designed to develop future acquisition leaders by preparing them for more challenging leadership roles. The three-year program provides participants with cross-functional developmental assignments and expanded leadership and management training. CDG graduates are then designated as AAC members. This program provides opportunities that individuals would not otherwise have; it also identifies the skills that employees need to assume critical acquisition positions.

#### ***Military/Civilian Best-Qualified Selection***

The competitive selection of the best-qualified AAC members, military or civilian, for certain critical acquisition positions is also a best practice. Military and civilian AAC members are given the opportunity to apply and compete head-to-head for selected program manager/command positions. Through a competitive board selection process, positions are filled with the best-qualified AAC members, regardless of whether they are military officers or civilians. The unique feature of this process is that these individuals are selected on the basis of common criteria independent of the positions and then assigned to specific positions on the basis of best fit.

More information about the AAC can be found at—<http://www.dacm.sarda.army.mil>.

### **Navy Acquisition Intern Program**

The Navy Acquisition Intern Program uses existing salary and bonus authorities to compete with the private sector. It also makes a substantial investment in the career development of its interns by fostering the development of multifunctional skills. The program was developed in response to Public Law 101-510, the Defense Acquisition Workforce Improvement Act (DAWIA) of 1990 (Section 1742), which states:

*“The Secretary of Defense shall require that each military department conduct an intern program for purposes of providing highly qualified and talented individuals an opportunity for accelerated promotions, career-broadening assignments, and specified training to prepare them for entry into the Acquisition Corps.”*

The program’s goal is to recruit and develop the “best fit” individuals from colleges and universities and prepare them to assume the Navy’s most demanding Acquisition Workforce positions. The Navy feels strongly that a highly trained, educated, and skilled Acquisition Workforce is required to support the increasingly sophisticated Navy and Marine Corps weapons systems of today and tomorrow. Some of the program’s features are as follows:

- Hires approximately 300 interns per year, totaling up to 900 in the program.
- Includes all acquisition career fields except Program Management.
- Targets recent college graduates with approximately a 3.0 grade point average (GPA) or above.
- Features competitive job offers (using existing salary and bonus authorities to the fullest).
- Provides an orientation conference to familiarize interns with the Navy and Marine Corps mission; the conference includes ship and submarine tours, shipboard damage control training, and discussions with warfighters.
- Centrally funds a three-year training and career development program.
- Mandates development of Individual Development Plans.
- Fully funds graduate courses and DAWIA training.
- Requires DAWIA Level II certification upon completion.
- Requires rotational assignments, both internal and external to the host organization, to promote multifunctional skills and leadership awareness.
- Offers placement into Navy acquisition organizational billets at GS-11/12 or NH/NJ pay bands, Level III DAWIA certification upon successful completion.

Additional information on this program can be found at <http://dacm.secnav.navy.mil/intern.htm>.

### **Air Force Materiel Command Human Resource Strategic Management Planning**

The Air Force has already made significant progress in developing a Human Resource Strategic Management Plan for its Acquisition Workforce. In October 1998, the Air Force Materiel Command (AFMC) Commander, General George T. Babbitt, commissioned a comprehensive study of the command’s workforce to tailor AFMC’s human resources to its future business needs. The study’s scope encompassed the total force—civilian, military, and contractor elements. An initial review of force data revealed that skewed civilian years-of-service demographics and the absence of developmental positions presented the greatest challenges. The main focus of the study was the civilian segment, with an emphasis on accession planning and the investments needed to achieve the Air Force’s objectives.

While much remains to be accomplished, AFMC’s Work Force Shaping Study, *Sustaining the Sword*, has become the baseline for a comprehensive effort to fund the necessary force-shaping investments. Those

investments cover recruitment and relocation bonuses, first-duty station moving costs, additional Air Force interns, and training of supervisors for a significant increase in developmental employees. In addition, AFMC continues to press for policy and legislative reforms designed to cut red tape and streamline recruiting processes.

AFMC's Work Force Shaping Study, *Sustaining the Sword*, can be found at <https://www.afmc-mil.wpafb.af.mil/HQ-AFMC/DP/2005/final.htm>

### **DLA Mid-Level Development Program (MLDP)**

The MLDP is two-year training opportunity for employees at the GS-9 through GS-11 levels. It is designed to instill in those employees the competencies needed to lead an organization; for first line supervisors to become multi-functionally skilled; and to meet the training, education, and experience requirements necessary for DAWIA Level II certification, where applicable. Upon entering the program, participants review the program's objectives and develop a training plan encompassing both formal training and cross-training assignments.

During the program, participants receive intensive training in supervisory and managerial concepts and techniques, and gain a comprehensive understanding of DLA's current materiel management and acquisition functions. At the conclusion of the program, participants understand the relationship of DLA to its military customers; the roles of DLA's distribution depots; the functional areas of cataloging, contracting, quality assurance, supply, and technical; the operations of a contractor's facility; the purpose and role of DLA's service centers; the internal workings of an engineering support agency; and the purpose of DLA's marketing offices.

Employees in any career field may apply. Participants are competitively selected and evaluated against five areas of knowledge, skills, and abilities necessary for successful program competition. Participants receive 1 year of intensive on-the-job training in a GS-1102 position. Significant travel is required to accomplish the assignments and training. Biannually, 12 to 15 participants are selected.

Additional information on DLA's MLDP can be obtained by contacting the program manager at (703) 767-6442.

### **Defense Leadership and Management Program (DLAMP)**

In response to recommendations from the Commission on Roles and Missions of the Armed Forces, DoD created the DLAMP program in 1997. This program focuses on "joint" civilian leadership training, education, and development within and across the DoD Components; its objective is to prepare civilians for key leadership positions at the GS-13, GS-14, GS-15, and Senior Executive Service levels. This program is viewed as a best practice because it:

- Enables civilian leaders to assume broader responsibility.
- Expands knowledge of the Department's national security mission.
- Strengthens communication and trust among senior military and civilian leaders.

DLAMP requires a one-year rotational assignment outside one's occupation or Military Department, at least a three-month course in Professional Military Education (PME) at the senior-level, and at least ten advanced-level graduate courses in subjects important for DoD leaders. These activities are completed over 6 to 10 years. Competitively chosen for admission, each participant has a personal mentor to provide guidance throughout the multiyear effort. This program serves as a model for similar efforts in several other countries.

The success of DLAMP has heightened awareness of the need for additional investments in the civilian workforce both in terms of leadership skills and occupational knowledge. Research has indicated that higher level DoD positions are filled overwhelmingly by people who have spent some time within the

Department. It is essential that DoD continue to invest in its civilian cadre.<sup>15</sup> Moreover, the Defense Science Board's Task Force on Human Resources Strategy recently issued a strong endorsement of DLAMP, called for its expansion, and recommended development of a DLAMP preparatory program for employees at the GS-9 to 12 levels. For more information about this important program, go to <http://www.cpms.osd.mil/dlamp/index.htm>

### **Secretary of Defense Corporate Fellows Program**

The Secretary of Defense Corporate Fellows Program was established to build a cadre of future military leaders who:

- Understand more than the profession of arms.
- Understand an adaptive and innovative business culture.
- Recognize organizational and operational opportunities.
- Understand skills required to implement change.
- Advocate and enable change throughout their careers.

Annually, each Military Service nominates two military officers who demonstrate high flag or general officer potential for assignment to the Secretary of Defense Corporate Fellows Program. The selected Fellows are then assigned for 10 months to a private sector corporation or a public sector institution successful in adapting to the changing global environment, exploiting the information revolution, organizational structural reshaping, and developing innovative processes. Each Fellow is responsible for reporting and briefing business insights relevant to the DoD culture/operation and recommending process/organization changes. The Secretary of Defense Corporate Fellows Program's corporate and public sector sponsors include Citigroup, FedEx, Lockheed Martin, Sarnoff Corporation, Sears, Sun Microsystems, Mobil, and Anderson Consulting.

This program was selected as a best practice because it reaches out to the private sector to identify fresh ideas and incorporate best practices that offer potential benefits to the DoD. The establishment of a government/industry exchange program will provide a similar opportunity to the civilian Acquisition Workforce and further increase the benefits to DoD. Additional information can be obtained at <http://www.ndu.edu/ndu/sdcfp/sdcfhom.html>

### **Automated Referral System & Resume Database**

In order to compete with private industry, the DoD and other federal agencies are deploying automated referral systems. The capabilities of these systems make it much easier for a job seeker to apply for federal vacancies anywhere and at anytime through Internet access. In addition, they make it easier and quicker for federal managers to identify the right candidates to fill vacancies. Agencies such as the U.S. Geological Service and the Department of Veterans Affairs that have automated their hiring processes have noticed a dramatic increase in their applicant pools, in some cases by as much as 400 percent. In addition, agencies can save thousands of hours and dollars in processing and certifying job finalists. These systems offer advanced automated staffing management solutions. Some commercial software permits an individual to submit a single resume. As vacancies are announced, personnel managers query the database for information such as name, education, training, licenses, awards, and unique skills. Extracted data can be matched against management criteria for vacant positions. Other applications require an individual to submit a resume and to answer standard, job-specific questions whose responses can be automatically scored and ranked.

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<sup>15</sup> Testimony by Dr. Diane M. Disney, DASD (CPP) before the Military Readiness Subcommittee, House Armed Services Committee, and the Civil Service Subcommittee, House Government Reform Committee, March 9, 2000.

Additional information about the Automated Referral System and Resume Database can be obtained by contacting the program manager at (703) 696-1622.

Table 6-1 lists the best practices recommended by the Task Force and the points of contact for each.

**TABLE 6-1. RECOMMENDED BEST PRACTICES**

<i>Name</i>	<i>Point of Contact</i>	
Army Acquisition Corps Career Development	Sandy Long	(703) 604-7125, DSN 664-7125 <a href="http://dacm.sarda.army.mil">http://dacm.sarda.army.mil</a>
Navy Acquisition Intern Program	Ann Ryan	(703) 602-9943, DSN 332-9943 <a href="http://dacm.secnave.navy.mil/intern.htm">http://dacm.secnave.navy.mil/intern.htm</a>
Air Force Materiel Command Human Resource Strategic Management Planning	Leif Peterson	(937) 257-2806, DSN 787-2806 <a href="https://www.afmc-mil.wpafb.af.mil/HQ-AFMC/DP/2005/final.htm">https://www.afmc-mil.wpafb.af.mil/HQ-AFMC/DP/2005/final.htm</a>
DLA Mid-Level Development Program (MLDP)	Sandra Miller	(703) 767-6442, DSN 427-6442
Defense Leadership and Management Program (DLAMP)	Tom Crean	(703) 696-9634, DSN 426-9634 <a href="http://www.cpms.osd.mil/dlamp/index.htm">http://www.cpms.osd.mil/dlamp/index.htm</a>
Secretary of Defense Corporate Fellows Program	Eric Briggs, NDU (SDCFP)	(703) 696-4229, DSN 426-4229 <a href="http://www.ndu.edu/ndu/sdcfp/sdcfhom.html">http://www.ndu.edu/ndu/sdcfp/sdcfhom.html</a>
Automated Referral System & Resume Database	Janice Siemsen CPMS	(703) 696-1622 ext. 760, DSN 426-1982



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## **7. IMPLEMENTATION**

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### **TASK FORCE INITIATIVES**

On the basis of its assessment of numerous strategic planning, recruiting and hiring, career development, workforce management, and quality of life issues, the Task Force has proposed 31 initiatives to help the Acquisition Workforce meet the challenges of the new millennium. Since the transition to the workforce of the future will require 3 years or longer to complete, the initiatives identified in Chapters 3, 4, and 5 of this report should be started as soon as possible.

The Task Force's initiatives have been grouped into categories according to the timeframe during which they can be implemented. Nine of these initiatives are fully within DoD's current authority and can be implemented immediately. Sixteen initiatives, although within current authority, will require somewhat longer for program planning, resourcing, and/or policy change before they can be fully implemented. The final six initiatives require legislation to provide DoD additional authority before they can be fully implemented. While three of these initiatives (Assessing DoD Management Authorities, Encouraging Job Mobility, and Maximizing use of Return Home Visit Authority) can be initiated in part now, legislative proposals for all six should be prepared as quickly as possible. The initiatives are summarized by implementation category, with the proposed office of primary responsibility (OPR) and an initial action suspense date in Table 7-1.

Of the 31 recommended initiatives, 27 can be implemented, in whole or in part, using existing authorities. Some of the recommended initiatives will require OSD to issue new policy guidance or regulations. In particular, Initiative #1 – “Develop and Implement Comprehensive, Needs-based Human Resource Performance Plans for the Civilian Acquisition Workforce,” is the principal foundation of many of the other initiatives (including Initiatives 5, 7, 11, 20, and 22). Therefore, Initiative 1 should receive the highest priority; it also should be considered for nomination as a GPRA pilot program. In general, the other eight initiatives in Chapter 3 should begin as soon as possible (see Table 7-1) and the legislative proposals in Chapter 5 should be prepared quickly to be available for presentation to the transition team. Of the initiatives in Chapter 4, those with initial actions on or before January 15, 2001 (see Table 7-1) should receive priority. The others should be implemented by the DoD Components in the order that promises the greatest impact on their specific recruiting and hiring needs.

Adequate resources for the Task Force initiatives are essential because DoD will spend more in the long term if the level of effort described in this report is reduced significantly. The overall cost of the Task Force initiatives is low for their potential return and a fraction of one percent of civilian Acquisition Workforce salaries. With a phase-in approach based on priorities, lead time for preparation and policy changes, and preparation of legislative proposals, the first year total cost to DoD is \$9.2M. Three initiatives—#8. Increasing Employee Incentives (\$15.47M), #12. Establish a Scholarship Program (\$7.48M), and #28. Encouraging Job Mobility (\$5.43M)—comprise almost 70 percent of annual funding requirements. The remaining 28 initiatives are surprisingly affordable, ROM calculations and assumptions are detailed in Appendix D.

All initiatives require careful timing, coordination, and integration with other workforce-incentive initiatives such as the Acquisition Workforce Personnel Demonstration Project and those for the SES and the Defense Civilian Intelligence Personnel Systems. The Task Force will monitor, assess, and coordinate implementation of these initiatives during its second phase of operations.

**TABLE 7-1. SUMMARY OF TASK FORCE INITIATIVES**

<b>INITIATIVES by IMPLEMENTATION CATEGORY</b>	<b>Within Authority</b>	<b>Legislative Change</b>	<b>OPR</b>	<b>Initial Actions*</b>
<b>What We Can Do Immediately (Chapter 3)</b>				
1. Develop and Implement Comprehensive, Needs-based Human Resource Performance Plans for the Civilian Acquisition Workforce	X		AET&CD & CPP Services & Agencies	10/30/00 07/01/01
2. Maximize Use of Existing Hiring Authorities	X		Services & Agencies	01/01/01
3. Maximize Use of Existing Authorities to Make Pay More Competitive	X		ODASD (CPP)	01/15/01
4. Expand Public- and Private Sector Recruiting Efforts, and Make It Easier to Apply for DoD Acquisition Positions	X		Services & Agencies	now
5. Maximize Use of the Student Educational Employment Program (SEEP) to Recruit from Colleges and Other Sources	X		Services & Agencies	03/31/01
6. Provide Timely Certification Training	X		AET&CD	03/01/01
7. Provide More Career-Broadening Opportunities	X		Services & Agencies	07/01/01
8. Increase Use of Employee Incentive Programs	X		Services & Agencies	12/31/00
9. Ensure a Work-Friendly Environment	X		Services & Agencies	12/01/00
<b>What We Should Start in the Near-Term (Chapter 4)</b>				
10. Promote DoD's Challenging Work and Rewarding Opportunities	X		AET&CD & CPP	03/15/01
11. Develop Acquisition Workforce Recruiting Programs	X		Services & Agencies	07/31/01
12. Establish a Scholarship Program for the Acquisition Community	X		AET&CD	10/31/00
13. Establish a Central DoD Acquisition Career Management Web Site	X		AET&CD	03/31/01
14. Develop a Functional Manager's Recruiting, Hiring, and Retention Handbook	X		AET&CD & CPP	01/15/01
15. Reengineer the Hiring Process	X		Services & Agencies	01/01/01
16. Assess Competition on a Location-by-Location Basis	X		AET&CD & CPP	01/15/01
17. Develop a Mechanism for Acquisition Certification of Private Sector Accessions	X		AET&CD	01/15/01
18. Rehire Federal Annuitants Without Financial Offset	X		AET&CD & CPP	12/15/00
19. Establish Career Paths to Achieve Multifunctional Acquisition Professionals	X		AET&CD, FAs, Services & Agencies	03/31/01
20. Increase Civilian Leadership Developmental Opportunities	X		Services & Agencies	07/01/01
21. Assess the Effect of FERS on the DoD Workforce	X		ODASD (CPP)	07/01/01
22. Component Assessment of High-Grade Requirements	X		Services & Agencies	07/01/01
23. Improve Management of Personnel Lapse Rates	X		Services & Agencies	03/31/01
24. Conduct Entrance and Exit Surveys	X		AET&CD & CPP	01/31/01
25. Establish a Program to Share Best Practices within the Acquisition Workforce	X		AET&CD	01/15/01
<b>What We Need Legislative Authority To Do (Chapter 5)</b>				
26. Convert Term Appointments to Permanent Appointments Non-Competitively		X	AET&CD & CPP	01/15/01
27. Establish a DoD/Industry Two-way Exchange Program		X	AET&CD & CPP	01/15/01
28. Encourage Job Mobility, Both Local and Geographic	X	X	Services & Agencies	01/15/01
29. Assess DoD Acquisition Workforce Personnel Management Authorities		X	AET&CD & CPP	01/15/01
30. Allow Employees to Buy Down the Early Retirement Penalty		X	AET&CD & CPP	01/15/01
31. Maximize Use of Return Home Visit Authority for Temporary Duty (TDY) Employees and Permit Spouse Travel As an Alternative	X	X	AET&CD & CPP Services & Agencies	01/15/01 now

\* The dates listed here and in the individual initiative descriptions in Chapters 3 to 5 are milestone targets for initial actions for planning and follow up. When the DoD Components set individual priorities and assign resources, some changes are expected. Significant changes to these dates should be coordinated with AET&CD.

## IMPLEMENTATION PRIORITY

Chapter 3 describes nine initiatives that can be started immediately. In addition, to these nine immediate initiatives, there are six initiatives for 2001 from those that should be started in the near-term (Chapter 4) that should receive priority. These initiatives should be underway by January 15, 2001. They are:

- Develop a Functional Manager's Recruiting, Hiring and Retention Handbook (Initiative #14)
- Reengineer the Hiring Process (Initiative #15)
- Assess Competition on a Location-by-Location Basis (Initiative #16)
- Develop a Mechanism for Acquisition Certification of Private Sector Accessions (Initiative #17)
- Rehire Federal Annuitants without Financial Offset (Initiative #18)
- Establish a Program to Share Best Practices Within the Acquisition Workforce (Initiative #25).

The six legislative proposals (Initiatives #26-31) in Chapter 5 require new legislation before full implementation is possible. Packages should be developed in coordination with the Military Departments, Defense Agencies, and other major stakeholders. OSD should be prepared to brief these proposals to the Transition Team and introduce them through DoD's ULB process. (See Table 5-1.)

## PILOT PROGRAM RECOMMENDATIONS

The Task Force recommends that the following six initiatives be implemented as soon as possible on a limited basis. These initiatives were selected as pilot projects to permit rapid implementation for assessment and fine tuning before being applied to the entire Acquisition Workforce. OUSD (AT&L), in coordination with OUSD (P&R), the Military Departments, and the Defense Agencies, should select specific organizations to participate, establish metrics, and assess the merit of the individual programs before authorizing full implementation. Assessment results should be reported to AET&CD through acquisition channels annually; AET&CD should provide reporting guidance. The proposed pilot programs are:

- **Initiative #2**—Maximize Use of Existing Hiring Authorities

Delegated examining authority can significantly streamline the hiring process. The Military Departments and Defense Agencies should consider requesting Delegated Examining Authority for major civilian acquisition population centers.

- **Initiative #4**—Expand Public- and Private Sector Recruiting Efforts

Increasing the number of people hired from outside DoD is a critical contributor to cultural change. Each Military Department and Defense Agency should hire five to ten people from outside DoD in FY 01. Hiring retired military personnel without private sector experience would not achieve the goal of this initiative to introduce alternative practices.

- **Initiative #7**—Provide More Career-Broadening Opportunities

The DoD Components should provide local area career-broadening opportunities by rotating individuals between organizations. The program can be initiated with five to ten personnel at each acquisition population center. These individuals should be at the journey or senior levels.

- **Initiative #19**—Establish Career Paths to Achieve Multifunctional Acquisition Professionals

The DoD Components have already begun to explore developing multi-functional acquisition professionals. Beginning in FY 01, each Military Department and Defense Agency should shift five to ten people from one acquisition career field to another. These individuals should be at the journey- or senior-levels.

**Initiative #20**—Increase Civilian Leadership Developmental Opportunities.

The Military Departments and Defense Agencies should identify two or three leadership positions as rotational assignments at each acquisition population center as a pilot effort in FY 01.

- **Initiative #27**—Establish a DoD/Industry Two-Way Exchange Program

At present, DoD has limited authority for exchanging personnel. This initiative calls for a true two-way exchange to speed the infusion of private sector practices and offset the effective loss of government personnel participating in the program. It will require a measured roll out after new legislation and implementing policy to address establishing firewalls to protect against conflicts of interest and other considerations.

## **BEST PRACTICES TO BENCHMARK**

The recommended best practices are ready now for benchmarking throughout the acquisition community. Described in detail in Chapter 6, those best practices are:

- Army Acquisition Corps Career Development
- Navy Acquisition Intern Program
- Air Force Materiel Command Human Resource Strategic Management Planning
- DLA Mid-Level Development Program (MLDP)
- Defense Leadership and Management Program (DLAMP)
- Secretary of Defense Corporate Fellows Program
- Automated Referral System & Resume Database.

## ONGOING INITIATIVES TO SUPPORT

The Task Force also recognized eight ongoing efforts that offer considerable promise. If these efforts had not already been underway, they would have been included as Task Force initiatives. As Table 7-2 shows, four of these efforts are being implemented now; two legislative proposals are in the congressional coordination process; and two proposals are being reviewed in preparation for resubmission during the 2001 legislative proposal cycle. All eight are strongly endorsed by the Task Force, and their progress will be monitored during the second phase of the Task Force's operations.

**TABLE 7-2. ONGOING INITIATIVES**

<i>Name</i>	<i>Implementation Category*</i>	<i>Status**</i>	<i>Point of Contact</i>	
Automate the Hiring Process	I	BN	Janice Siemsen CPMS	(703) 696-1622, ext. 760 DSN 426-1622
The Acquisition Workforce Personnel Demonstration Project	I	BN	Tony Echols OUSD (AR)	(703) 681-6882, DSN 761-6882 <a href="http://www.acqdemo.com">http://www.acqdemo.com</a>
Establish Career Development Plans for All Acquisition Career Fields	S	BN	Jim Kinder, AET&CD	(703) 578-2762, DSN 794-2762 <a href="http://www.acq.osd.mil/yourfuture/">http://www.acq.osd.mil/yourfuture/</a>
Establish Special Pay Rates for Information Technology Specialists	S	BN	Jeanne Jacobson OPM	(202) 606-2858: initial report 11/00
Increase Bonus Ceilings	L	PP	Jeanne Jacobson OPM	(202) 606-2858; FY02 Omnibus
Permit Initial Conversion of 401K Plans and Allow Immediate Contributions to Government's Thrift Savings Plan	L	LC	Congress	HR208 has passed the House and Senate; it is awaiting signature.
Expand VERA/VSIP Authority	L	LC	Jorge Araiza CPMS	(703) 696-1799, DSN 426-1799 FY02 Omnibus
Develop a Phased Retirement Program	L	PP	Paul Rossbach ODASD (CPP)	(703) 695-1076, DSN 426-1076 FY03 ULB

\* I – Do immediately (Chapter 3), S – Start soon (Chapter 4), L – Need legislation (Chapter 5).

\*\* BN – Being implemented now, LC – Legislative coordination underway, PP – Legislative proposal pending.

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## 8. CONCLUSION

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### THE CHALLENGE

The Acquisition Workforce has undergone 11 years of downsizing, and the composition of the current workforce is very different from that of the past. On the positive side, diversity and educational qualifications have increased. However, the workforce's average grade and length of service have also increased.<sup>16</sup> Many employees are in their early fifties and have extensive experience and unique skills; more than half will be eligible to retire by 2005. An expanding economy that is sustaining near record low unemployment rates (recently at 3.2 percent) and a shrinking pool of new entries to the labor market exacerbate DoD's situation. The resulting competition for new employees has created a virtual bidding war for candidates with scientific, technical, and management degrees. This demand, coupled with changing work attitudes among younger employees, has led to higher employee turnover in the private sector, and DoD may not be far behind. In addition, pay comparability between federal and public sector workers is once again an issue.<sup>17</sup> Overall, the challenges of recruiting and retaining Acquisition Workforce employees have never been greater.

### THE OPPORTUNITY

Demographics and downsizing have given DoD a unique window of opportunity to transform the Acquisition Workforce to meet future challenges. During this era of change, there has been a profound shift in what is expected of the civilian Acquisition Workforce. Many factors have combined to change the education, training, and experience requirements that will be needed in this new century. The DoD Acquisition Workforce must increase recruiting, develop more multifunctional, multiskilled workers with advanced education and broad acquisition experience, and improve retention to close the projected gap between requirements and capacity (Figure 8-1). While pursuing the initiatives in this report, DoD can reshape the Acquisition Workforce by establishing career tracks, developing career plans, increasing the number of mid-career hires from the private sector, providing training linked to career development, emphasizing leadership training, and promoting broadening of views. DoD does not need to reduce the number of its acquisition workers further, but it does need to implement human resource performance planning that enables increased hiring, promotes retention, and ensures that its employees have every opportunity possible to perfect their technical skills, achieve professional certification, and develop new skills consistent with future Defense needs.

The projected gap between requirements and work capacity is being partially addressed by redesigning work. There is an ongoing effort across the acquisition community to reengineer processes, restructure organizations, and realign or reassign work. These efforts should continue. Part of the redesign of work must be the recognition of and preparation for the future.

As workload and the nature of work change, the Acquisition Workforce must respond with new processes, flexible organizations, and employees prepared to adapt to future requirements. It is clear that no one approach can meet this challenge and that a broad-based combination of initiatives is necessary. DoD has an historic opportunity to reinforce the precepts of DAWIA, support the objectives of the Government Performance and Results Act (GPRA), and simultaneously shape the culture of the DoD Acquisition Workforce.

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<sup>16</sup> Testimony by Dr. Diane M. Disney, DASD (CPP), before the Military Readiness Subcommittee of the House Armed Services Committee, and the Civil Service Subcommittee of the House Government Reform Committee, March 9, 2000.

<sup>17</sup> OPM statistics show that private sector ECI increases outpaced GS inflation adjustments by 8.9 percent in the last decade. *The Fact Book, Federal Civilian Workforce Statistics*. OPM, September 1999.

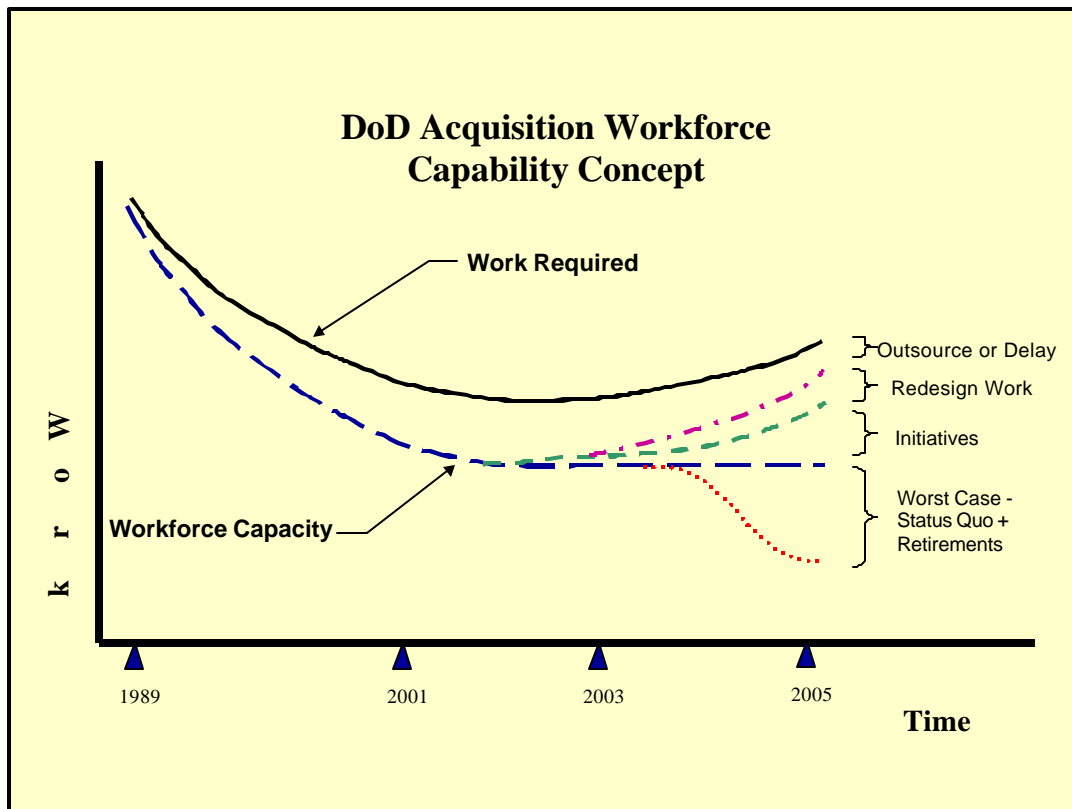


Figure 8-1. Acquisition Workforce Requirements vs. Capacity

## THE RECOMMENDATIONS

The Task Force recommends 31 initiatives in the areas of strategic planning, recruiting and hiring, workforce management, retention, and quality of life. In addition, the Task Force has endorsed eight ongoing initiatives and has identified seven best practices. Many of the initiatives will be difficult to execute—the easy solutions already have been implemented, and what remains will require tough choices, leadership commitment, and resources. Some will require legislation or policy changes, but most can be implemented now. Twenty seven of the 31 Task Force initiatives (87 percent) do not require additional legislative authority before being implemented in whole or part. Six Task Force recommendations call for the introduction of legislative proposals. Further, four of the eight ongoing initiatives require legislation, and three of them are already in the congressional coordination and approval process. Finally, all of the best practices should be broadly benchmarked now.

## CALL TO ACTION

Managing and reshaping the civilian Acquisition Workforce to meet future needs is long overdue. It will require leadership commitment, new authorities, and, most important, a change in DoD's traditional way of managing its people. DoD's employment structures and human resource processes must become more flexible to support the workforce of the future. To make this transition successful, DoD must employ innovative approaches to recruiting, developing, and retaining its future workforce. Moreover, initiatives to implement these new approaches must begin by January 1, 2001, if DoD is to complete the transition of the Acquisition Workforce in time to address the demands resulting from a retirement exodus.

Despite years of downsizing and the impending retirement surge, DoD's civilian workforce remains the largest part (about 40 percent) of the federal government, and its critical national security role makes it perhaps the most important segment. DoD must move with all deliberate speed to transform its civilian Acquisition Workforce to meet today's and tomorrow's major human resource challenges, and to use it as a model for other areas. Both the public and private sectors will carefully watch how DoD meets the challenge of transforming its workforce in the 21st century.

**DoD must  
act now!**

**DoD must act now!**



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# APPENDICES

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## **APPENDIX A. TASK FORCE MEMBERS**

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Mr. Keith Charles

### **MEMBERS**

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Ms. Delores A. Street, LMI

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## **APPENDIX B. ACRONYMS AND OTHER ABBREVIATIONS**

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AAC	Army Acquisition Corps
AAW	Army Acquisition Workforce
ACM	Acquisition Career Manager
AET&CD	DUSD (AR), Acquisition Education, Training, and Career Development
ARSSG	Acquisition Reform Senior Steering Group
BLS	Bureau of Labor Statistics
BMDO	Ballistic Missile Defense Organization
CCAS	Compensation and Appraisal System
CDG	Competitive Development Group
CFR	Code of Federal Regulations
CPMS	Civilian Personnel Management Service
CSRS	Civil Service Retirement System
DACM	Director, Acquisition Career Management
DASD (CPP)	Deputy Assistant Secretary of Defense, Civilian Personnel Policy
DAU	Defense Acquisition University
DAWIA	Defense Acquisition Workforce Improvement Act
DCAA	Defense Contract Audit Agency
DCMA	Defense Contract Management Agency
DCPDS	Defense Civilian Personnel Data System
DEA	Delegated Examining Authority
DLA	Defense Logistics Agency
DLAMP	Defense Leadership and Management Program
DMDC	Defense Management Data Center
DoD	Department of Defense
DoDD	Department of Defense Directive
DOJ	Department of Justice
DSB	Defense Science Board
DUSD (AR)	Deputy Under Secretary of Defense, Acquisition Reform
DUSD (PI)	Deputy Under Secretary of Defense, Program Integration
ELDP	Executive Leadership Development Program
FA	Functional Advisor
FERS	Federal Employee Retirement System
FIPT	Functional Integrated Product Team
FTE	Full-time equivalent
FY	Fiscal year
FYDP	Future Years Defense Program
GAO	General Accounting Office
GPA	Grade Point Average
GPRA	Government Performance and Results Act of 1993
GS	General Schedule
GSA	General Services Administration
HHS	Health and Human Services, Department of
HR	Human Resources
JTR	Joint Travel Regulations
LMI	Logistics Management Institute
MLDP	Mid-level Development Program
NAPA	National Academy of Public Administration
NCMA	National Contract Management Association
NH	The Business Management and Technical Management Professional pay band in the Acquisition Demonstration Project
NJ	The Technical Management Support pay band in the Acquisition Demonstration Project
OPM	Office of Personnel Management
OSD	Office of the Secretary of Defense

PCS	Permanent Change of Station
PM	Program Manager
PME	Professional Military Education
PMI	Presidential Management Intern Program
POM	Program Objective Memorandum
PPBS	Planning, Programming, and Budgeting System
PRD	Position Requirement Document
QSI	Quality Step Increase
RIF	Reduction in Force
SAE	Service Acquisition Executive
SEEP	Student Educational Employment Program
SES	Senior Executive Service
SRA	SRA International, Inc.
TDY	Temporary Duty
ULB	Unified Legislation and Budget
USD (AT&L)	Under Secretary of Defense, Acquisition, Technology and Logistics
USD (P&R)	Under Secretary of Defense, Personnel and Readiness
USMC	United States Marine Corps
VERA	Voluntary Early Retirement Authority
VSIP	Voluntary Separation Incentive Pay

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## **APPENDIX C. TASK FORCE METHODOLOGY**

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### **THE TASK FORCE AND ITS APPROACH**

On April 1, 2000, Dr. Jacques Gansler, Under Secretary of Defense for Acquisition, Technology and Logistics (USD [AT&L]), established the Acquisition 2005 Task Force. He charged the Task Force to provide a road map for the orderly transition of DoD civilian acquisition personnel to a multifunctional workforce capable of coping with the management challenges of the 21st century. Dr. Gansler appointed Mr. Keith Charles, Acting Director, Acquisition Education, Training, and Career Development, (DUSD for Acquisition Reform [AET&CD], hereafter referred to as AET&CD), to direct this Task Force. The Task Force consists of civilian representatives from the Army, Navy, Air Force, Defense Contract Management Agency (DCMA), Defense Logistics Agency (DLA), Office of the Deputy Assistant Secretary of Defense for Civilian Personnel Policy (ODASD [CPP]), and industry/support teams from SRA International, Inc. and the Logistics Management Institute (LMI).

Dr. Gansler established two goals for the Task Force: (1) identify personnel initiatives to enhance DoD's ability to manage the Acquisition Workforce and recommend programs to implement them by July 31, 2000; and (2) coordinate and monitor implementation of the results beginning August 1, 2000. This report addresses the first goal. It is the result of a collaborative effort between the Task Force and the DoD civilian acquisition and personnel communities, with extensive participation from the Military Departments, DLA, DCMA, other federal departments, private industry, professional organizations, and academia.

The Task Force is meeting its charter requirements in two phases: initiative development, and implementation. During the first phase, the Task Force solicited ideas from the acquisition community by conducting workshops and Web-based surveys, and advertising in *Acquisition Reform (AR) Now*. In addition, members evaluated the benefits and costs of suggestions and consulted with OSD and Military Department personnel staffs. Finally, the Task Force selected and documented promising initiatives, identified pilot program opportunities, and reviewed ongoing innovative personnel programs. This report recommends changes to personnel practices to advance DoD's effort to reshape the Acquisition Workforce while simultaneously enhancing recruiting and retention efforts. It also highlights six ongoing, innovative personnel programs as best practices. Finally, the Task Force coordinated with the Service Acquisition Executives and other key acquisition leaders to obtain input and concurrence.

### **THE DOD WORKFORCE 2005 CONFERENCE**

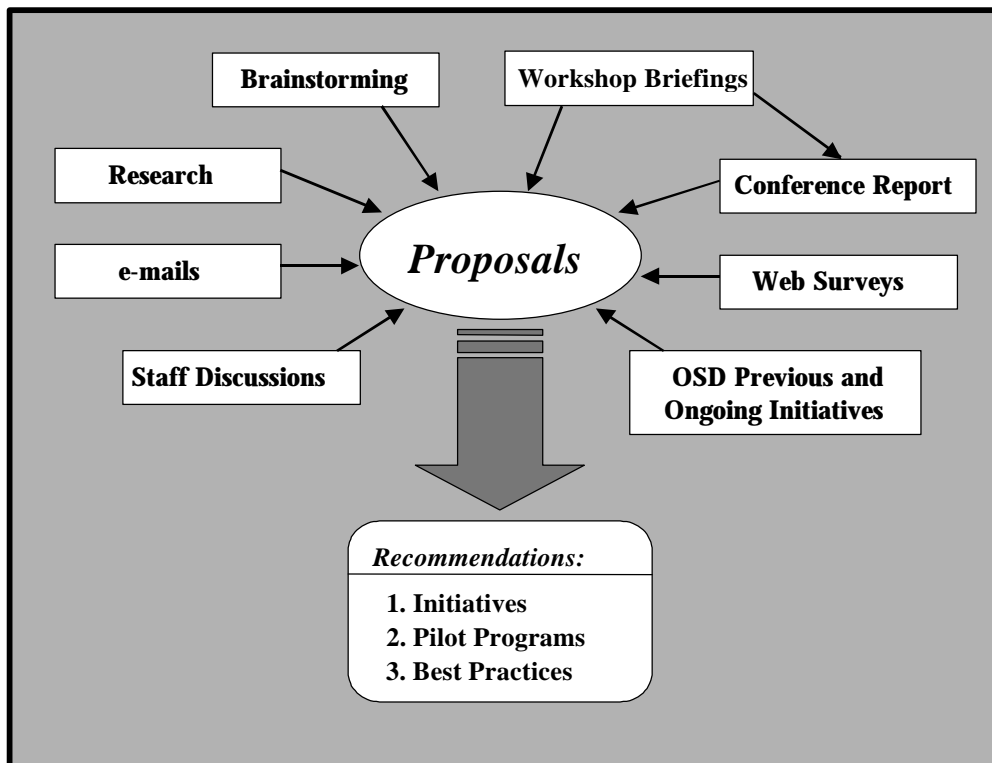
On May 15-16, 2000, the Task Force convened a two-day conference hosted by LMI. More than 80 representatives from DoD, other federal departments, private industry, professional associations, and academia participated, thus ensuring a broad range of views.

The conference's primary goal was to generate new ideas and alternatives for attracting, hiring, training, retaining, and professionally developing members of the future Acquisition Workforce. The conference began with plenary sessions to establish a common foundation. Participants then worked in four breakout workshops to address recruiting and hiring, career development, workforce management, and workforce shaping. The conference concluded with each workshop presenting its recommendations to the plenary body.

The conference provided a unique forum that brought together different perspectives from a diverse body of participants. The Task Force thoroughly evaluated each of the conference’s recommendations and incorporated the most promising ideas into the initiatives recommended in this report.

## FIELD INPUT

Figure C-1 diagrams the techniques used by the Task Force to target what was important to the members of the Acquisition Workforce.



**FIGURE C-1. TASK FORCE METHODOLOGY**

*Survey* — The Task Force collected ideas from its web site—[www.acq.osd.mil/yourfuture](http://www.acq.osd.mil/yourfuture)—that hosted a survey which individuals could use to submit their ideas. More than 430 responses were received the acquisition professionals in DoD, other federal departments, and the private sector.

*E-mails* — An *AR Now* article solicited readers’ ideas via e-mail. Over 100 responses were received.

*Presentations* — Over a two-month period, Mr. Charles gave numerous presentations describing the Task Force’s mission, promoting support, and soliciting initiative ideas. These meetings included the General Services Administration (GSA) Exposition in San Diego, Acquisition Reform Week at the Pentagon, DCMA, town hall meetings with the Deputy Under Secretary of Defense for Acquisition Reform, the Acquisition Reform Senior Steering Group (ARSSG), the White House Executive Steering Group, the Office of the Deputy Assistant Secretary of Defense for Civilian Personnel Policy, the National Contract Management Association (NCMA), the Department of Justice (DOJ), the Defense Partnership Council, and GAO.

*Consultations* — The Task Force members also met with representatives of the DoD Components, GAO, OPM, OSD, Health and Human Services (HHS), the Army Director of Acquisition Career Management (DACM), Jefferson Solutions, and the OSD Acquisition Demonstration Project team, to review existing personnel policies and authorities, and to explore ongoing initiatives. In addition, union officials were briefed and their comments were addressed. The responses received ranged from recommending the use of existing authorities to DLA's suggestion that it be given full and open authority to manage its own workforce, within its budget, and conduct a 10-year pilot program to test whether it could operate essentially as a business.

*DoD Workforce 2005 Conference* — Participants generated more than 390 ideas for evaluation by the Task Force.

## **INITIATIVE DEVELOPMENT PROCESS**

After the initial research was completed, the Task Force reviewed, analyzed, assessed, and categorized hundreds of recommendations. It then grouped these suggestions into five categories or themes for identification and coordination of related initiatives. The themes are Strategic Planning, Recruiting and Hiring, Career Development, Workforce Management, and Quality of Life. Task Force members next researched existing programs and coordinated with OSD and Component senior acquisition managers and personnel staff representatives, as well as with the Office of the General Counsel (OGC), Comptroller, Director of Administration and Management, and employee unions, leading ultimately to the initiatives recommended in this report.

## **INITIATIVE IMPLEMENTATION**

During the second phase, the Task Force will coordinate closely with the DoD Components (e.g., the Military Departments and Defense Agencies<sup>1</sup>) and other stakeholders to monitor the implementation of promising initiatives, evaluate the results, and modify them as necessary to ensure that the desired results are achieved. The Task Force plans to post current information on the initiatives on its web site at <http://www.acq.osd.mil/yourfuture>.

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<sup>1</sup> "Defense Agencies" is used in this report to include all of the agencies in OSD having an acquisition role or acquisition personnel, such as DLA, DCMA, DMA, DSMC, the Defense Contract Audit Agency (DCAA), the Ballistic Missile Defense Organization (BMDO).

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## **APPENDIX D: COST ANALYSIS ASSUMPTIONS**

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All cost estimates in this report are rough order of magnitude (ROM). For estimating purposes, all numbers were rounded up to the next \$10,000

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**Initiative #1 – Develop and Implement Comprehensive, Needs-based Human Resource Performance Plans for the Civilian Acquisition Workforce**    **\$ 2.270 M one time**  
+ **\$1.300 M recurring**

ODASD (CPP) Costs

Workforce Planning Model

Development

5.5 people for 9 months @ 170K/man year

$$(5.5) * (.75) * (170) = 701.25 \text{ K}$$

Maintenance of Workforce Planning Model

1.5 people for 12 months @ 170K/man year

$$(1.5) * (1.0) * (170) = 255 \text{ K annually}$$

Military Department/Defense Agency Costs

Develop Needs-based Human Resource Performance Plan (for each Military Departments and one for Defense Agencies)

3 people for 9 months @ 170K/man year

$$(3) * (.75) * (170) = 382.5 \text{ K each}$$

Annual Update to Strategic Plan

3 people for 6 months @ 170K/man year

$$(3) * (.5) * (170) = 255.0 \text{ K each}$$

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**Initiative #2 – Maximize Use of Existing Hiring Authorities**                      **No Additional Funds Required**

This is inherent to normal hiring function and within existing budget.

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**Initiative #3 – Maximize Use of Existing Authorities to Make Pay More Competitive**                      **TBD**

To make initial offers and salaries more competitive, one must make numerous assumptions about the nature of the work, the value of different benefits, the relative costs in various locations, the market conditions, and the skills of the individuals filling the positions. This makes any comparison of pay difficult to do and very controversial.

The costs of achieving more competitive salaries must be determined by DoD Components, after completion of the local recruiting and retention competition studies recommended in Initiative #16.

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**Initiative #4 – Expand Public and Private Sector Recruitment Efforts, and Make It Easier to Apply for DoD Acquisition Positions**                      **\$0.680 M one time**

Revise Acquisition Position Standards to broaden the scope and provide better opportunities for public and private sector applicants to compete for DoD acquisition positions.

2 people for 6 months @ 170K/man year

$$2 * .5 * 170 = .17\text{M per Military Department and Defense Agencies}$$



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**Initiative #5 – Maximize Use of the Student Educational Employment Program (SEEP) to Recruit from Colleges and Other Sources** **No Additional Funds Required**

Costs should be managed within existing budgets by reallocation of funds. The following estimates are provided to assist DoD Components in planning how best to implement this Initiative.

Summer Intern program 12.77M

Several DoD organizations use intern programs as a recruitment tool. Typically, they fill about 10 percent of their vacancies this way. Based upon that percentage, approximately 3000 individuals (750 per Military Department and 750 for Defense Agencies) would be in a summer intern program. Individuals hired under a summer intern program would be brought in at the GS-3 level (\$17,015 per year) and would work for about 3 months.

Cost Calculation:

$$3000 * 17,015 * .25 = \$12,761,250$$

Accelerated Promotions

Pay differential between GS-5 step 1 and GS-7 step 1 is approximately \$5100.

Accelerated promotions would increase payroll cost by this amount for 6 months.

Cost Calculation:

$$3000 * 5,100 * .5 = 7.65M$$

Co-op Recruiting Bonuses

This is accounted for in Initiative #6

This Initiative assumes that the number of people involved will be increased over 3 years (1/3 in the first year; 2/3 in the second year; and fully implemented thereafter). All costs would be split across the DoD Components proportionally based upon the size of their civilian acquisition workforce (Defense Agencies-18%; Army-30%; Navy-35%, and Air Force-17%).

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**Initiative #6– Provide Timely Certification Training** **No Additional Funds Required**

This initiative will be executed within the DAU budget for certification training.

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**Initiative #7 – Provide More Career-Broadening Opportunities** **\$1.020 M one time + \$2.040 M recurring**

Cost Calculation:

Develop an additional Career-Broadening Program using rotational assignments

$$3 \text{ people for 6 months @ } 170K/\text{man year} = \$255K$$

Administrative Cost of managing the Career-Broadening Program

$$3 * 170 = \$0.510M \text{ per Military Department/Defense Agencies}$$

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**Initiative #8 – Increase Use of Employee Incentive Programs** **\$15.470 M recurring**

At the present time, DoD allots one percent of its civilian personnel budget for incentives. Under this initiative, the incentive pool for employee awards would be increased to 1.25 percent. The actual additional cost per Military Department would be a function of the number of civilians in their Acquisition Workforce (Defense Agencies-22, 106; Army-36, 827; Navy-44, 131; and Air Force-20, 552).

Assumptions:

Average salary of the Acquisition Workforce is \$50,000 per year.

Cost Calculation:

.0025 increase in incentives \* average salary \* number of employees in Acquisition Workforce

Defense Agencies	.0025	*	50000	*	22106	=	2.763M
Army	.0025	*	50000	*	36827	=	4.603M
Navy	.0025	*	50000	*	44131	=	5.516M
Air Force	.0025	*	50000	*	20552	=	2.569M

**Initiative #9 – Ensure a Work-Friendly Environment**

**No Additional Funds Required**

This initiative is revenue neutral. It would incur no change in hours or compensation.

**Initiative #10 – Promote DoD’s Challenging Work and Rewarding Opportunities**

**\$1.500 M recurring**

This estimate is based upon talks with Mr. Boyce, Army Public Affairs, about a recent advertising campaign in the Washington Post called "Operation Graduation" whose timeline started in December 1999. He stated that the Ad Council, a private sector industry group, conducted the campaign for the Army in which a volunteer advertising agency developed the campaign that consisted of television, radio, and outdoor (billboard, buses, telephone booths, etc.) ads pro-bono. Mr. Boyce indicated that if a requirement was justified as a worthy cause, a volunteer agency would develop a campaign free, and the organization would pay only for conducting it. The cost of the "Operation Graduation" campaign is \$1.5 million per year for 3 years, and it took 6 to 8 months to develop the campaign.

Mr. Boyce advises that an organization should go through the Public Affairs Office for initial actions, before going to the Ad Council for support. Then the organization should contact the Ad Council at **www.adcouncil.org**, in New York City; the POC is Mrs. Peggy Conlons. The Army’s advertising campaign contract was administered through M&RA with Defense Service Supply Washington (DSSW).

**Initiative #11 – Develop Acquisition Workforce Recruiting Programs**

**\$3.400 M one time  
\$1.150 M recurring**

Military Department and Defense Agency Costs	\$3.40M
Develop Recruiting Training Program (for each Service and Defense Agencies)	
4 people for 12 months @ 170K/man year	
(4) * (1) * (170) = 680K	
Conduct Recruiting Training	
2 people for half time for 12 months @ 170K/man year	
(2) * (.5) * (170) = 170K one year only.	

*Note: Cost of recruiting would be unchanged from present budget.*

**Strategic Partnering**

No additional funds required

The costs associated with this initiative are included in other initiatives such as exchange programs and SEEP.

Recruitment Incentive Bonus Program \$1.125M per year

Assumptions:

Based upon industry averages, about 10 percent of recruits will come from referrals. Referral bonus is \$750 (an On the Spot Award).

Cost Calculation:

\$750 per referral for 7500 referrals equals \$ 5,625,000

These costs will be split equally over 5 years (\$1,125,000 per year) across the DoD Components proportionally based upon the size of their civilian acquisition workforce (Defense Agencies-18%; Army-30%; Navy-35%, and Air Force-17%).

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**Initiative #12 – Establish a Scholarship Program for the Acquisition Community**

**\$1.360 M one time  
+ \$7.480 M recurring**

Each of the Military Departments currently has a ROTC Scholarship Program. At the present time, the Army's scholarship benefits package includes up to \$16,000 annually for tuition and fees. The book allowance is \$510 per year, plus a monthly stipend of \$200. The average scholarship cost for the Army ROTC students is \$9500 per year per cadet. The cost of a civilian acquisition scholarship program with similar benefits would be very comparable. An average of \$10,000 per student per year is a reasonable first estimate.

Assumptions

This initiative assumes that the number of people involved will be increased over 3 years (1/3 in the first year or 2/3 in the second year, and fully implemented thereafter). All costs are split across DoD Components based upon the size of their civilian acquisition workforce (Defense Agencies-18%; Army-30%; Navy-35%, and Air Force-17%).

A total of 700 scholarships will be funded through the Civilian Acquisition Scholarship program at any time.

Cost Calculation

Develop Scholarship Program

4 people for 6 months @ 170K/man year = \$340K

Management of Program

1 person three quarter time for 12 months @ 170K/man year = \$120K per Military Department/Defense Agencies

Scholarship Costs (after ramp-up)

700 people \* \$10,000 per student = \$7,000,000 per year

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**Initiative #13 – Establish a Central DoD Acquisition Career Management Web site**

**\$1.360 M one time  
+ \$0.370 M recurring**

Centralized Acquisition Career Management Web site

Cost Calculation

Develop Web site (AET&CD)

680K

6 people for 6 months @ 170K/man year

(6) \* (.5) \* (170) = 510K

Maintenance of Web site

1 person for 12 months @ 170K/man year

$(1) * (1) * (170) = 170K$  per year

Develop portions of the Web site for each Military Department/Defense Agency

2 people for 6 months @ 170K/man year

Maintain organizations portion of Web site (for each Military Department/Defense Agency)

1 person for one quarter time for 12 months @ 170K/man year

$(1) * (.25) * (170) = 42.5K$  per year per Military Department/Defense Agency

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**Initiative #14 – Develop a Functional Manager’s Recruiting, Hiring, and Retention Handbook**

**\$0.260 M one time**

Develop recruiting and hiring handbook

3 people for 6 months @ 170K/man year

$(3) * (.5) * (170) = 255K$

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**Initiative #15 – Reengineer the Hiring Process**

**\$0.360 M one time**

DoD Component representatives will reengineer the hiring process so it is more competitive with private sector’s process.

2 people for 3 months @ 170K/man year = \$82.5K per Military Department/Defense Agency

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**Initiative #16 – Assess Competition on a Location-by-Location Basis**

**\$1.920 M one time  
+ \$0.510 M recurring**

In conducting any compensation comparison, one must first determine what are comparable jobs. The BLS pay data job categories do not exactly match the Acquisition Workforce career fields. In carrying out this initiative, extensive data will need to be collected to determine industry positions equivalent to those in the Acquisition Workforce. Then, data will need to be gathered relative to industry compensation for the respective positions.

Assumptions:

Data Collection:

10 people for 9 months each

Analysis:

5 people for 9 months each

Annual Updates

6 people for 6 months each

Cost Calculation:

Initial Study

15 people \* 9 months \* \$170K = \$ 1,912,500

Follow-on Updates

6 people \* 6 months \* \$170K = \$ 510,000

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**Initiative #17 – Develop a Mechanism for Acquisition Certification of Private Sector Accessions**

**\$0.170 M one time**

Develop Certification Methodology (AET&CD)  
2 people for 6 months @ 170K/man year  
 $(2) * (.5) * (170) = 170K$

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**Initiative #18 – Rehire Federal Annuitants without Financial Offset**

**No Additional Funds Required**

Legislative Proposal already prepared.

Financial Offset

Assumption: Vacant positions would be filled with either a rehired annuitant or someone from another source. The salary would be the same under either alternative. The rehired annuitant would be getting the same retirement salary regardless, so DoD would not incur any additional cost with rehired annuitants.

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**Initiative #19 – Establish Career Paths to Develop Multifunctional Acquisition Professionals**

**+ \$2.710 M recurring**

Establishing the career paths is a DACM function and requires no additional funding. However, there will be additional training requirements that will need to be funded.

Assumptions:

5 of 11 career fields would need more certification classes  
Greater reliance on distance learning in the future  
30 students per class  
Cost per student is \$1,000  
1 class for each certification level  
Increased availability achieved with 3 more classes per year

AET&CD Cost Calculation:

Course Conduct

5 career fields \* \$1000 \* 30 students \* 3 per career field \* 3 classes  
 $5 * 1000 * 30 * 3 * 3 = \$ 1.350M$

Management Costs

2 people per Military department/Defense Agencies \* 170K per man year  
 $2 * 4 * 170 = 1.360M$

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**Initiative #20 – Increase Civilian Leadership Developmental Opportunities**

**\$2.720 M one time  
\$1.360 M recurring**

Military Department/Defense Agency Costs:

Develop Leadership Training Program (for each Military Department/Defense Agency)

4 people for 12 months @ 170K/man year  
 $(4) * (1) * (170) = 680K$  per Military Department/Defense Agency

Conduct Leadership Training \$0.680M

2 people for half time for 12 months @ 170K/man year  
 $(2) * (.5) * (170) = 170K$  per Military Department/Defense Agency

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Management of Program  
1 person for 12 months @ 170K/man year = \$170K per Military Department/Defense Agency

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**Initiative #21 – Assess the Effect of FERS on the DoD Workforce** **\$0.170 M one time**

Determine Effectiveness of Current Retirement Plans  
2 people for 6 months @ 170K/man year  
 $(2) * (.5) * (170) = 170K$

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**Initiative #22 – Component Assessment of High-Grade Requirements** **No Additional Funds Required**

As DoD's Acquisition Workforce was drawn down, top Executive Branch managers used High-Grade Quotas to ensure that reductions were equitable across grades. This need no longer exists, so this initiative would have no impact on present budget levels.

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**Initiative #23 – Improve Management of Personnel Lapse Rates** **No Additional Funds Required**

This initiative is within the responsibility of managers and can be accomplished within existing budgets.

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**Initiative #24 – Conduct Entrance and Exit Surveys** **\$0.770 M one time**  
**\$0.085 M recurring**

Develop Survey Instruments  
2 people for 6 months @ 170K/man year  
 $(2) * (.5) * (170) = 170K$  per Military Department/Defense Agency  
ODASD (CPP) Analysis of Survey Results  
1 person half time @ 170K/man year  
 $(1) * (.5) (170) = 85K$

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**Initiative #25 – Establish a Program to Share Best Practices within the Acquisition Workforce** **No Additional Funds Required**

This initiative can be accomplished by making it a regular part of the Acquisition Reform Web site.

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**Initiative #26 – Convert Term Appointments to Permanent Appointments Non-Competitively** **No Additional Funds Required**

Legislative Proposal already developed

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**Initiative #27 – Establish a DoD/Industry Two-way Exchange Program** **\$0.260 M one time**  
**\$0.170 M recurring**

Current plans call for the exchange program to be carried out between DoD acquisition organizations and industry or other government agencies within 50 miles of major Acquisition Workforce work sites. As a consequence, this program will have minimal travel or relocation expenses.

**Assumptions:**

Some of the 700 people identified in Initiative #17 will participate in the exchange program as part of their career-broadening experience.

Local travel for each employee would be less than \$100 per year.

Cost Calculation:

Develop Exchange Program

3 people for 6 months @ 170K/man year = \$255K

Management of Program

1 person for 12 months @ 170K/man year = \$170K

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**Initiative #28 – Encourage Job Mobility, Both Local and Geographic**

**\$5.430 M recurring**

Retirement Relocation

Assumptions:

100 people per year require relocation upon retirement

Average relocation cost is 50K

All costs are split across the DoD Components based upon the size of their civilian acquisition workforce (Defense Agencies-18%; Army-30%; Navy-35%, and Air Force-17%).

Cost Calculation:

100 people \* 50 = 5.0M

Job Placement Assistance

In each of the 10 major centers of Acquisition Workforce personnel, DoD would retain the services of a placement firm to help displaced spouses. Reasonable retainer would be ¼ of a consultant's time.

10 people for quarter time for 12 months @ 170K/man year

(10) \* (.25) \* (170) = 425K

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**Initiative #29 – Assess DoD Acquisition Workforce Personnel Management Authorities**

**\$0.990 M one time**

Determine DoD Acquisition Personnel Management Authorities

4 people for 9 months @ 170K/man year

4 \* .75 \* 170 = 510K

Develop revised policy and procedures to match expanded SecDef authority

4 people for 12 months @ 120K/man year

(4) \* (1) \* (120) = 480K

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**Initiative #30– Allow Employees to Buy Down the Early Retirement Penalty**

**No Additional Funds Required**

The employee will use VSIP payments or additional contributions to the retirement fund to pay for the buy down, so DoD would incur no additional cost. However, legislation is required to allow the buy down.

Legislative Proposal Developed

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**Initiative #31– Maximize Use of Return Home Visit Authority for Temporary Duty (TDY)  
Employees and Permit Spouse Travel as an Alternative** **\$1.200 M recurring**

Industry standard is one trip home every four weeks of extended TDY.

Assumptions:

Approximately 3,000 trips annually

Average cost of trip is \$400

All costs are split across the DoD Components based upon the size of their civilian acquisition workforce (Defense Agencies-18%; Army-30%; Navy-35%, and Air Force-17%).

Cost Calculation:

Legislative Proposal already developed

Travel Cost

$$3000 \text{ trips} * \$400 = \$1.20\text{M}$$



**TABLE D-1. Summary of Cost Analysis—Rough Order of Magnitude**

<b>Initiative</b>	<b>One Time Cost</b>	<b>Recurring Cost*</b>
<b>Total</b>	<b>17,710,000</b>	<b>40,775,000</b>
1. Develop and Implement Comprehensive, Needs-based Human Resource Performance Plans for the Civilian Acquisition Workforce	2,270,000	1,300,000
2. Maximize Use of Existing Hiring Authorities	0	0
3. Maximize Use of Existing Authorities to Make Pay More Competitive	0	0
4. Expand Public and Private Sector Recruiting Effort, and Make It Easier to Apply for DoD Acquisition Positions	680,000	0
5. Maximize use of SEEP Program to Recruit from Colleges and Other Sources	0	0
6. Provide Timely Certification Training	0	0
7. Provide More Career-Broadening Opportunities	1,020,000	2,040,000
8. Increase Use of Employee Incentive Programs	0	15,470,000
9. Ensure a Work-Friendly Environment	0	0
10. Promote DoD's Challenging Work and Rewarding Opportunities	0	1,500,000
11. Develop Acquisition Workforce Recruiting Programs	3,400,000	1,150,000
12. Establish a Scholarship Program for the Acquisition Community **	1,360,000	7,480,000
13. Establish a Central DoD Acquisition Career Management Web site	1,360,000	370,000
14. Develop a Functional Manager's Recruiting, Hiring, and Retention Handbook	260,000	0
15. Reengineer the Hiring Process	360,000	0
16. Assess Competition on a Location-by-Location Basis	1,920,000	510,000
17. Develop a Mechanism for Acquisition Certification of Private Sector Accessions	170,000	0
18. Rehire Federal Annuitants without Financial Offset	0	0
19. Establish Career Paths to Achieve Multifunctional Acquisition Professionals	0	2,710,000
20. Increase Civilian Leadership Developmental Opportunities	2,720,000	1,360,000
21. Assess the Effect of FERS on the DoD Workforce	170,000	0
22. Component Assessment of High-Grade Requirements	0	0
23. Improve Management of Personnel Lapse Rates	0	0
24. Conduct Entrance and Exit Surveys	770,000	85,000
25. Establish a Program to Share Best Practices Within the Acquisition Workforce	0	0
26. Convert Term Appointments to Permanent Appointments Non-Competitively	0	0
27. Establish a Government/Industry Two-way Exchange Program	260,000	170,000
28. Encourage Job Mobility, Both Local and Geographic	0	5,430,000
29. Assess DoD Acquisition Workforce Personnel Management Authorities	990,000	0
30. Allow Employees to Buy Down the Early Retirement Penalty	0	0
31. Maximize Use of Return Home Visit Authority for TDY Employees and Permit Spouse Travel as an Alternative	0	1,200,000

\* The Annual Costs are the final or steady state costs after completing ramp up where appropriate.

\*\* Initiative 12 assumes ramped up implementation over three years.

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## **APPENDIX E. THE DEFENSE ACQUISITION WORKFORCE IMPROVEMENT ACT**

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Several of the Task Force's recommendations will require initiation of new legislative proposals and/or modifications to existing legislation. The Defense Acquisition Workforce Improvement Act (DAWIA) is the legal foundation upon which today's DoD Acquisition Workforce exists. It provides the contextual framework and baseline for reference when formulating new implementation strategies and plans. This appendix provides a brief background of DAWIA and an outline of its primary tenets.

In 1990 Congress adopted DAWIA (Public Law 101-510, Title XII) (sections 1701-64 of title 10 United States Code). The purpose of DAWIA is to improve the quality and effectiveness of DoD's acquisition processes by enhancing the capabilities of the Acquisition Workforce. It requires the Secretary of Defense to implement specific provisions. Principally, the law addresses:

- Recognition of acquisition as a professional career field
- Criteria for admission into the acquisition corps in terms of education, training, and experience; establishment of a career development program for acquisition professionals
- Establishment of career management structures in DoD and the Military Departments
- Establishment of a Defense Acquisition University structure
- Establishment of programs to assist acquisition personnel in their professional development.

DAWIA states general authorities and responsibilities of the Secretary of Defense and the Under Secretary of Defense for Acquisition and Technology. It also calls for the establishment of the position of the Director, Acquisition Education, Training, and Career Development (AET&CD) with principal responsibility to serve as the Director of Acquisition Career Management (DACM) for OSD and the Defense Agencies. Additionally, the law provides statutory direction for the Service Acquisition Executives to establish DACMs.

DAWIA lists 11 acquisition-related positions, and it stipulates requirements for establishing career paths. The topic of mobility statements for civilian acquisition corps personnel has been misunderstood by some over the years; DAWIA gives the Military Departments the authority to require mobility statements, but it does not mandate them.

Lesser-known provisions in DAWIA include requirements for DoD to establish Intern, Cooperative Education, Scholarship, and Tuition and Training Programs. Obviously, these programs can have significant recruitment, development, and retention implications relevant to this Task Force study. The effectiveness of the programs in this regard becomes largely a function of funding and follow-through.

DoD has satisfied the requirements of DAWIA by establishing policies for position management and career development. These policies divide acquisition positions into position categories and establish a formal certification process. DoD 5000.52, *Career Development Program for Acquisition Personnel*, November 1991, defines the certification process, as well as career paths with specific education, training, and experience requirements for those in acquisition positions. The Secretary of Defense documented DoD Acquisition Workforce management policy by issuing DoDD 5000.52, DoD 5000.52M and DoD 5000.58R. The DoD Components were directed to manage positions by identifying the Acquisition Workforce by career fields and critical acquisition positions. These efforts constitute DoD's primary implementation of the law.

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## **APPENDIX F. PERSONNEL TERMS AND PROGRAMS**

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### **Delegated Examining Authority**

The Office of Personnel Management (OPM) has delegated authority to DoD, under a written agreement, to conduct competitive rating, ranking, and referral for selection for appointment to most positions. Component examining units, established by agreement with ODASD (CPP), perform all competitive examining work, including development of the examination, public announcement, development of rating criteria, testing, application of veterans' preference rules, rating of candidates, and establishing and maintaining a register of eligibles. In essence, DoD is performing the functions normally done by OPM. Alternatively, OPM will perform all or part of this process, under contract, on a reimbursable basis.

### **Direct-Hire Authority**

Direct-hire authority is a special hiring procedure designed to help agencies recruit qualified candidates for their positions. The criteria for using these procedures are that there must be an open continuous job announcement including the OPM Job Listing, active recruitment, and an insufficient supply of qualified candidates to fill current vacancies. However, if this process produces more than three qualified and available candidates for a vacancy, or if there is a mix of veterans' preference and nonpreference eligibles, agencies must use regular competitive rating and referral procedures for selection. Selections must meet veterans' preference and order-of-selection requirements. This authority has been largely superseded by the delegation of examining authority.

### **Outstanding Scholar**

The Outstanding Scholar Program is a special hiring authority established as a supplement to competitive examining for some entry-level positions. The special hiring authority is restricted to grade levels GS-5 and GS-7. To qualify for hiring under this program, students must have a 3.45 or higher grade point average on a 4.0 scale (note - 3.45 is rounded up to 3.5), or have graduated in the upper 10 percent of their class.

The Outstanding Scholar Program is authorized under the terms of a consent decree (Luevano vs. Lachance) and can be used only for specific series and job titles. The Outstanding Scholar Program does not include positions in the following occupational fields that are commonly found in the Acquisition Workforce: Accounting and Auditing, Engineering, Physical Sciences, Biological Sciences, and Mathematics.

### **Presidential Management Intern (PMI) Program**

This two-year internship program enables graduate degree students to be appointed to federal positions as PMI's. Although the PMI Program accepts applicants from a variety of graduate-level academic backgrounds, applicants must have an interest in a career in the analysis and management of public policies and programs.

Students selected under this program are hired at the GS-9 level and are eligible for promotion to the GS-11 level after successful completion of the first year. Upon completion of the second year, they are eligible for conversion to a permanent federal civil service position and promotion to the GS-12 level.

## **Recruiting/Relocation Bonuses**

An agency may pay a lump-sum recruitment bonus of up to 25 percent of the annual rate of basic pay to an employee newly appointed to a difficult-to-fill position. An agency may also pay a lump-sum relocation bonus of up to 25 percent of the annual rate of basic pay to an employee who must relocate to accept a difficult-to-fill position in a different commuting area.

## **Retention Bonus**

An agency may pay a retention allowance of up to 25 percent of basic pay to an employee if the unusually high or unique qualifications of the employee or a special need of the agency for the employee's services makes it essential to retain the employee, and the agency determines that the employee would be likely to leave the federal service without the allowance.

## **Student Educational Employment Program**

The Office of Personnel Management has consolidated its student employment efforts into one program that serves as a tool to assist agencies in building a diverse work force. The program has two components:

### **Student Career Experience Program**

Student Career Experience Program students are hired to work in their academic fields. Students appointed under this authority may be non-competitively converted to a career or career-conditional appointment or a term appointment within 120 days of completion of their academic program. Tuition assistance is available for all or part of the training expenses. The student may be required to sign a written training agreement to continue employment for a specified period before accepting tuition assistance. This program has replaced the Cooperative Education Program, Federal Junior Fellowship Program, Stay-in-School Program, and Harry S. Truman Scholarship Program.

### **Student Temporary Employment Program**

The Student Temporary Employment Program provides flexibility to appoint students on a temporary basis (not to exceed one year) to jobs that may or may not be related to the student's academic field. Appointments under this authority may be extended in 1-year increments as long as the individual meets the definition of a student. The agency may fund all or part of job-related training expenses.

## **Student Loan Repayment**

Under the provisions of DAWIA, the Secretary of Defense may repay all or part of a student loan for a DoD employee appointed to an acquisition position. In June 2000, OPM released proposed regulations for DoD Components to implement student loan repayment authority.

## **Superior Qualifications Appointments**

Appointments can be made under this provision at a rate above the minimum rate of the appropriate General Schedule grade because of the superior qualifications of the candidate or a special need of the agency for the candidate's services. These appointments are commonly referred to as "advanced-in-hiring rates."

## **Term Appointment**

A term appointment is a nonstatus appointment to a position in the competitive service for a specified period exceeding one year and lasting not more than four years. If a need exists for an additional year,

the Office of Personnel Management may grant a one-year extension. Term appointments do not “convert” to career or career-conditional appointments.

Installations may use term appointments to fill positions that are expected to last longer than one year but are clearly not of a continuing nature and will terminate upon completion of work. Examples of appropriate uses of term employees include the following:

- Uncertainty of future funding
- Carrying out special project work
- Staffing new or existing programs of limited duration
- Filling positions in activities undergoing a commercial activity review or in the process of being closed
- Replacing permanent employees who have been temporarily assigned to another position, are on extended leave, or have entered military service.

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## **APPENDIX G. ADDITIONAL REFERENCES**

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