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BUILDING AND STRENGTHENING THE FEDERAL ACQUISITION WORKFORCE

HEARING

BEFORE THE

OVERSIGHT OF GOVERNMENT MANAGEMENT, THE FEDERAL WORKFORCE, AND THE DISTRICT OF COLUMBIA SUBCOMMITTEE

OF THE

COMMITTEE ON HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS UNITED STATES SENATE

ONE HUNDRED TENTH CONGRESS

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BUILDING AND STRENGTHENING THE FEDERAL ACQUISITION WORKFORCE

THURSDAY, FEBRUARY 14, 2008

U.S. SENATE,
SUBCOMMITTEE ON OVERSIGHT OF GOVERNMENT MANAGEMENT, THE FEDERAL WORKFORCE, AND THE DISTRICT OF COLUMBIA,
OF THE COMMITTEE ON HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS,
Washington, DC.

The Subcommittee met, pursuant to notice, at 9:48 a.m., in Room 342, Dirksen Senate Office Building, Hon. Daniel Akaka, Chairman of the Subcommittee, presiding.

Present: Senators Akaka, Voinovich, and Stevens.

OPENING STATEMENT OF SENATOR AKAKA

Senator AKAKA. Aloha and good morning.

This hearing of the Oversight of Government Management Subcommittee is called to order.

Over the past year, this Subcommittee, as well as the full Committee, has emphasized the need for better acquisition management across the Federal Government. This is of great importance as the government continues to increase spending on contracting year after year. Today, we turn our sights to an important aspect of acquisition management, and that is the acquisition workforce.

According to the Government Accountability Office, in Fiscal Year 2006, the government acquired over $400 billion in goods and services. That same year, the government only had 20,000 contracting specialists in the acquisition workforce.

Poor contract execution and oversight inevitably leads to problems like we saw with the Department of Homeland Security's SBInet virtual border fence contract, which was delivered months past due, or the dozens of failed contracts in Iraq and Afghanistan.

Many point to the size of the acquisition workforce as a major factor in poor acquisition outcomes. During the 1990's, the size of the acquisition workforce dropped dramatically, leveling off at its current size in the last 10 years. However, during the same period, spending on acquisitions ballooned.

Americans need to know if there are enough people to provide oversight of contracts so that taxpayers' dollars are wisely spent.

It is important that agencies have the right tools to recruit and retain a strong acquisition workforce. Agencies already have some flexibilities to help with the hiring of certain acquisition professionals.

In addition, some agencies, such as the Department of Homeland Security, are setting up acquisition internship programs to attract younger professionals into the Federal workforce and provide real-world on-the-job training for a career in acquisitions.

Another issue is the skill sets and training of the acquisition workforce. Acquisition specialists and program managers need to have the best training available and keep the training up to date.

As contracts become more complex and agencies rely on the contractors themselves to help define contract requirements, training is essential to execute contracts effectively and oversee them over their lifecycle.

A problem that I am very concerned about with the Federal workforce as a whole, but especially with the acquisition workforce, is the looming surge of baby boomers set to retire from Federal service.

According to the Federal Acquisition Institute, 53 percent of the acquisition workforce will be eligible for retirement by 2016.

This is especially worrisome in looking at the acquisition workforce where it can often take several years to get all of the training and accreditation needed for certain specialties. With every new retiree, the government is losing important institutional knowledge.

The government must act aggressively now in analyzing acquisition workforce trends so that a brain drain does not develop in the acquisition community.

To address many of the concerns with acquisition management, the Senate passed the Accountability in Government Contracting Act, S. 680 last year.

I am pleased to be a co-sponsor of this bill. S. 680 would establish a government-wide internship program for acquisition professionals, much like the one that is already in place at DHS which has shown much promise.

The bill would also create a contingency contracting corps to ensure that the Federal Government has the acquisition professionals it needs during emergencies such as Hurricane Katrina.

It is my hope that we can work to enact a bill that contains the tools to help bolster the workforce.

This hearing is intended to serve as a benchmark, giving an overall view on the current state of the acquisition workforce. This is an important aspect of our acquisition management strategy that needs continued attention from this Administration, as well as the next.

Recruiting, training, and retaining an outstanding Federal workforce is a difficult job, maybe even more so with the acquisition workforce. I hope that our witnesses here today will be able to share with us their views on the workforce and what can be done to strengthen it.

I am glad to have Senator Stevens here with us this morning, and I am going to ask him for any opening statement.

OPENING STATEMENT OF SENATOR STEVENS

Senator STEVENS. Thank you very much, Mr. Chairman. I have dropped in because I have several meetings this morning, and I do not have an opening statement. I wanted to hear the comments of these witnesses, so I am pleased to be with you.

Senator AKAKA. Well, thank you very much for being here, Senator Stevens.

And now I would like to turn to our witnesses. The Subcommittee has invited three witnesses with important roles in recruiting, training, and sustaining the acquisition workforce. Paul A. Denett, Administrator of the Office of Federal Procurement Policy at the Office of Management and Budget. Frank J. Anderson, Jr., President of the Defense Acquisition University with the Department of Defense, and Karen A. Pica, Director of the Federal Acquisition Institute.

It is a custom of this Subcommittee, as you know to swear in all witnesses, so will you please stand and raise your right hand. Do you solemnly swear that the testimony you are about to give to this Subcommittee is the truth, the whole truth, and nothing but the truth, so help you, God?

Mr. DENETT. I do.

Mr. ANDERSON. I do.

Ms. PICA. I do.

Senator AKAKA. Thank you. Let the record note that the witnesses responded in the affirmative.

And now, I would like to call on our Ranking Member, Senator Voinovich, for his opening statement. Senator Voinovich.

OPENING STATEMENT OF SENATOR VOINOVICH

Senator VOINOVICH. Yes, Mr. Chairman. I apologize for being late. I had something that came up that required my personal attention. Thank you for holding this oversight hearing.

Senator Akaka, you and I have focused the work of this Subcommittee on understanding the challenges that our government faces in recruiting and retaining highly skilled workforce for the 21 Century. We have been working on this for almost 9 years.

Today, we are focused on a critical segment of that workforce: The acquisition professionals.

The Federal Government spends a staggering $400 billion annually to procure goods and services. That amount continues to rise annually, but the number of individuals responsible for spending and managing those contracts does not.

According to the Federal Acquisition Institute's latest annual report, by 2016, half of the government's contracting specialists will be eligible for retirement.

That is only 8 years away, and the risk of such institutional knowledge and experience walking out the door is of grave concern to all of us.

The Federal acquisition workforce has a tremendous responsibility in being stewards of the taxpayer dollars. They are the individuals who determine whether the government needs the assistance of the private sector to help meet its mission. They determine who will provide the goods or service. They oversee the work of the contract partner.

We see challenges in every department and agency of the Federal Government in every stage of the acquisition process. This includes award protests, cost overruns, late delivery, and disputes over claims and payments.

When their job is not done well, the acquisition workforce sees the impact through countless media reports and Congressional hearings.

They end up on GAO's High-Risk list, such as DOD weapon systems acquisition, DOD contract management, NASA contract management, and management of interagency contracting.

I would venture to say, however, the acquisition workforce is not at fault.

After all, it was Congress that mandated the Department of Defense in 1996 to cut 15,000 positions from its acquisition workforce and develop a plan to further reduce the workforce by 25 percent.

For Fiscal Year 1997, Congress further mandated the Department cut another 15,000. Mr. Chairman, I think you would agree such arbitrary quotas do not equal strategic human capital management. We have done that too often, in too many places in this government.

All too often, Congress will direct the Executive Branch to do something, but we do not appropriate the money to fund those activities. Then, the Executive Branch gets called before Congress to explain why they have not accomplished their mission. Too often, you do not tell us it is because you did not give us the money to hire the people that we need.

As another example, every day we hear the tragic stories of disabled Americans who are not able to have their disability claims approved in a reasonable timeframe. The average processing time can exceed a year. However, if we compare the budget request and the appropriated funds for the administrative costs to do this work, Congress continually has not given the Social Security Administration enough money.

Mr. Chairman, the acquisition workforce is overworked and does not have the appropriate training to do the job they have been asked to do.

We in Congress must recognize the important work of these individuals and provide them with the resources they need to do their jobs. That is, the right people with the right skills. And it is significantly less costly for us to do the job right than to have the situation that we have today. Thank you.

Senator AKAKA. Thank you very much, Senator Voinovich.

I want to thank our witnesses for being here. Although statements are limited to 5 minutes, I want all of our witnesses to know that their entire statements will be included in the record. Mr. Denett, will you please proceed with your statement?

TESTIMONY OF PAUL A. DENETT,[1] ADMINISTRATOR FOR FEDERAL PROCUREMENT POLICY, OFFICE OF MANAGEMENT AND BUDGET

Mr. DENETT. Thank you, Chairman Akaka, Senator Voinovich, Senator Stevens, and other Members of the Subcommittee. I am pleased to appear before you today to discuss the Federal acquisition workforce. I have prepared written remarks that I would like the Subcommittee to enter into the record, and would like to briefly summarize my comments for you now.

[1] The prepared statement of Mr. Denet appears in the Appendix on page 29.

Strengthening the professionalism of the acquisition workforce is a top priority for the Office of Federal Procurement Policy. The skills and good judgment of our acquisition workforce are closely tied to the government's ability to buy needed goods and services and deliver effective results.

I thank the Congress for its recent actions to support our workforce by making the acquisition workforce training fund permanent and extending direct hire authorities. These are critical authorities to ensure our workforce is well equipped to meet our agency needs.

OFPP has taken unprecedented actions in close partnership with the Federal Acquisition Institute and with strong support of the Defense Acquisition University to improve the caliber, agility, and professionalism of the workforce.

First, we have developed certification programs that standardize training and experience requirements for contracting officers, contracting officers' technical representatives, and program managers across all the civilian agencies.

These structured programs will help strengthen our employees' capabilities and professionalisms by focusing on all the personnel who play a key role in the acquisition process. As opposed to just contract specialists, we will significantly improve our stewardship of taxpayer dollars.

Second, we completed the first-ever contracting workforce competency survey to help civilian agencies assess their proficiency in core contracting competencies. Each agency, in consultation with the Office of Personnel Management, is using the results of this survey to develop a tailored plan for closing its own skills gaps that is being incorporated into the agency's human capital plan for the acquisition workforce succession planning.

Third, we launched the Federal Acquisition Intern Coalition to improve recruitment and retention strategies among agencies and increase the number and caliber of new hires who enter the government. This coalition will make a significant contribution to recruiting talented business-skilled candidates and developing them into effective buyers through these intern programs.

Fourth, we issued guidance to facilitate the hiring of re-hired annuitants to fill critical vacancies in the acquisition field. We appreciate Congress providing this authority, which will enable agencies to manage the loss of experience and corporate knowledge as the baby boomer generation retires over the next few years.

Finally, we established the "SHINE" initiative. The SHINE initiative is the first coordinated government-wide initiative dedicated exclusively to recognizing individual employees and team achievement of acquisition excellence within our workforce. These achievements have covered all aspects of the acquisition process.

Today, I would like to briefly acknowledge the exceptional achievements of three SHINE award winners. Jean Todd of the Army Corps of Engineers supported numerous reconstruction efforts in the wake of Hurricanes Katrina and Rita, including accelerating removal of water and the construction of over 81,000 temporary roofs.

The late Commander Philip Murphy Sweet volunteered to be the on-site contracting officer in Central Iraq supporting the establish-

ment of a criminal investigative court and helped ensure that the project stayed on track.

The Bureau of Prisons Acquisition Team used an innovative alternative disputes resolution partnering approach in constructing a new, environmentally friendly Federal correction facility on time and within budget.

I am confident that these initiatives I have described for you today will have a lasting and positive effect on the workforce and the performance of the government. I also believe these important steps address the acquisition workforce recommendations made by the Acquisition Advisory Panel established under the Services Acquisition Reform Act.

Let me end by reiterating my appreciation for the steps Congress has taken to strengthen the workforce, and I look forward to working with you as we build on this progress.

This concludes my prepared remarks, and I would be happy to answer any questions that you may have.

Senator AKAKA. Thank you very much, Mr. Denett. Mr. Anderson.

TESTIMONY OF FRANK J. ANDERSON, JR.,[1] PRESIDENT, DEFENSE ACQUISITION UNIVERSITY, DEPARTMENT OF DEFENSE

Mr. ANDERSON. Chairman Akaka, Ranking Member Voinovich, Senator Stevens, and Members of the Subcommittee, thank you for the opportunity to appear before you today. I will address the four topic areas you requested, and appreciate your including my full statement in the record.

First, DOD's initiatives to recruit, train and retain; my views on the Acquisition Advisory Panel; training standards; and finally the Defense Acquisition University's (DAU) relationship with FAI.

The Defense acquisition workforce faces major challenges involving new mission demands, evolving skill requirement, and the projected loss of experienced baby boomers. While hiring is favorable today, concerns exist about future talent within the science, engineering, and other discipline.

Our recruiting and intern programs have been very successful, and were recognized by the Acquisition Advisory Panel. They are integral to the new Federal Acquisition Intern Coalition. We are developing a comprehensive workforce analysis capability. In the 1990s, the workforce was reduced without robust workforce planning tools. The Hon. John Young, Under Secretary of Defense for Acquisition Technology and Logistics, is pushing to provide the right tools to shape the future acquisition workforce. We are making real progress.

From a training perspective, DAU is broadly recognized as one of America's top training institutions. We deliver extensive classroom, online, and knowledge sharing resources. As an example, our 2007 results included 123,000 course graduates, 244,000 continues learning graduates, and over 50 million page views in our online knowledge center. This is a national resource for the entire Federal workforce.

[1] The prepared statement of Mr. Anderson appears in the Appendix on page 36.

Our WebCasts connect senior leaders and the workforce as part of our leaders and teachers initiative.

Under Secretary Young has taken this to a new level by both teaching in the classroom and communicating directly with the workforce. His weekly notes on lessons learned and leadership guidance are a powerful training tool.

The Deputy Secretary, the Hon. Gordon England, has also led training for Lean Six Sigma, and continues process improvement at DAU.

Mr. Young started the Living Library to capture irreplaceable knowledge from experts who are leaving the workplace to both support performance today and maintain this knowledge for the future workforce.

I was a member of the Acquisition Advisory Panel. Overall, the panel made excellent recommendations. DOD has addressed almost every workforce recommendation and action as either completed or underway. We are teaming with OFPP and FAI.

DAU follows three external training standards: Academic accreditation by the Council on Occupational Education, continuing education units by the International Association of Continuing Education and Training, college credits by the American Council on Education.

Also Defense Acquisition Workforce members must meet the DAWIA, the Defense Acquisition Workforce Improvement Act standards.

Certification standards are very important to us. We are migrating to common Federal standards. The April 2005 OFFP policy States, "the Federal certification program shall be based on DAWIA requirements," and it established a framework that leverages DOD's competencies.

Mr. Assad, the Director of the Defense Procurement, is leading a comprehensive DOD competency update. This will both complement and add to FAI's competency survey, mentioned by the Hon. Paul Denett.

Finally, I am very proud of the DAU–FAI partnership established in 2005. Since 2005, FAI has co-located at DAU. Over 18,000 mostly Web-based grads have completed training. Civilian agency graduates from the continuing learning center increased even more dramatically—nearly 40,000 grads during this period.

These accomplishments are in great part a reflection of the partnership that we have created, the leadership of Mr. Denett, and the partnership with caring. Mr. Chairman, the Under Secretary, John Young, has implemented a very important initiative to improve management of the Defense acquisition workforce. I am convinced his initiatives will yield significant and positive outcomes.

Again, thank you for this opportunity, and I look forward to your questions.

Senator AKAKA. Thank you for your testimony. Ms. Pica.

TESTIMONY OF KAREN A. PICA,[1] DIRECTOR, FEDERAL ACQUISITION INSTITUTE, U.S. GENERAL SERVICES ADMINISTRATION

Ms. PICA. Good morning, Mr. Chairman, Senator Voinovich, and Senator Stevens. I am pleased to appear before you today to discuss the activities of the Federal Acquisition Institute (FAI).

Since 1976, under the leadership of OFPP and now the Chief Acquisition Officer Council, prior to that the Procurement Executive Council, FAI has been providing strategic human capital support to promote the professional development of the acquisition workforce.

The written remarks I have prepared provide more details on how FAI is implementing the vision shared by Mr. Denett this morning, so I will just highlight a few of those.

As you just heard from my colleague, Frank Anderson, FAI accomplishes its many and varied missions through partnerships. The partnership with DOD actually dates back to about 1999, when OFPP and DOD first signed an agreement to share training development efforts that were based on the competencies that FAI developed and OFPP established as government-wide standards in 1992.

The current partnering effort, supported by the Acquisition Workforce Training Fund, really opens up the DAU and FAI training to the entire government through a shared platform that Frank just mentioned.

This shared system has contributed to FAI's increase in training completions. Prior to the shared platform about 16,000 per year online, and now we are right about 40,000 a year. In about 2 years, we have seen that increase.

And it opens up training in the small business area. FAI has several small business training modules, and right now about 75 percent of the students completing those modules are in the DOD. So we look at the partnership as a great success.

We also count as strategic partners the Treasury Acquisition Institute, GSA, USDA, and EPA for delivery and training from everything from green procurement to 508 compliance.

While training is an important FAI mission, strategic human capital support for the acquisition workforce is really FAI's key strength and our legacy.

In partnership with the government's human capital leaders, the Office of Personnel Management, FAI has been a leading acquisition workforce organization since 1976.

In 1977, we published the first annual report on the acquisition workforce. The first set of contracting competencies was delivered in 1985, and it has been repeatedly matured to make sure it keeps up to date with the changes in the workforce today.

The first interagency working group dedicated specifically to acquisition workforce was chartered in the 1980s. It is very active today with membership from all the Executive Branch agencies, several Legislative Branch agencies, members of the Small Agency Council, and now the intelligence community as well.

We published a competency-based contract specialist blueprint in 1992, which formed the backbone for the current training and has

[1] The prepared statement of Ms. Pica appears in the Appendix on page 54.

been updated through the current training, again, to try to keep up with the changes in the workforce needs.

The first government-wide tool developed exclusively to capture information on the acquisition workforce was developed in 2000, and we have matured the capability for reporting through that tool with our partnership with the Defense Acquisition University.

In the 18 months of Mr. Denett's tenure and with an on board complement of three permanent government employees and two term government employees, FAI continues to be a leader in strategic human capital. As Mr. Denett mentioned, the first government-wide contracting competency survey, reaching over 5,400 contracting professionals in 50 agencies; a report and recommendations on program and project management, to include competencies and certification standards that were unanimously agreed to by all 15 agencies on the work group.

As Mr. Denett and Mr. Anderson both mentioned, a government-wide acquisition intern coalition that does not duplicate what is out there, but learns from it and creates an umbrella structure so we can save some work at the agency level while reaching out with a united front to people that are not aware of what contracting can do in the government.

And then also maturing the existing ACMIS to improve data gathering capabilities. Again, as Mr. Anderson had mentioned, through the Acquisition Workforce Training Fund (AWTF), and our partnership with DAU, workforce managers in the agencies now have a much better capability to pull out information that they need to see who needs training, who has the skills, who has taken the emergency response and recovery training that could respond in a disaster.

We also have templates and online tools that the agencies can use in developing strategic human capital plans, which are based on the OPM best standard practices; tools to implement certification programs, assess the workforce and also forecast agency needs.

The Federal acquisition workforce, much like the national and global workforce, does face significant challenges. There is philosophical challenges toward work, expectations of organizations and employees. And while these challenges are going to continue, the information we have today does not represent a full solution for everything, but we think it is certainly a good start. It will help us to provide continued support for the agencies in recruiting, developing, and retaining a professional acquisition workforce to be the stewardship of the resources, as you all mentioned in your statements.

I am happy to answer any questions about these initiatives or the FAI annual reports. Thank you.

Senator AKAKA. Thank you very much, Ms. Pica. Thank you for your testimony.

I would like to direct my first question to the entire panel. As I pointed out in my opening statement, Federal contracting has had a negative image due to some high-profile problem contracts over the past several years.

Do you think this negative image affects prospective employees from choosing a career in the Federal acquisition workforce? Mr. Denett.

Mr. DENETT. Well, we never want to project a negative image. I think we have a really positive story to say. As you heard in my opening remarks, we have launched the SHINE initiative.

I think that for every bad apple or somebody who does something that they should not, there are thousands that are doing great work. There are contracting officers that are working with NIH prize winners in curing diseases. They are working with Agriculture and Interior to fight forest fires. They are supporting the war fighter. Just lots of very positive things, and I think through the SHINE initiative, we are drawing more attention to these outstanding men and women that are doing good contracting, and I think that helps us recruit.

It is true that we occasionally have the bad story, but I think you have to keep things in proportion and recognize that we are the ones that are aggressively working with the Justice Department to catch those few bad apples and prosecute them.

So we want to get out the positive story. We want to remind people of all the good things we are doing, how meaningful it is, how they, if they join the acquisition workforce can be part of a very important thing to our Nation and all the wide range of things that we contract for now. I mean, we virtually support every department in accomplishing their mission—are absolutely dependent on good contract support.

Senator AKAKA. Thank you. Mr. Anderson.

Mr. ANDERSON. Yes, sir. I do believe that when the public is bombarded with lots of negative stories, that it certainly has a negative impact on our ability to recruit.

But as I indicated in my statement, today we are being very successful in recruiting for the workforce. Our concern is our ability to continue that process. But in trying to deal with this issue of image, we have taken two specific actions in the department.

We are initiating now a program that we are calling the Employee Value Proposition, to frame and tell the positive side of being in this business. We have really exciting work. Individuals pick up an awful lot of responsibility. We have some very thoughtful training programs that we know are important to the future generations that we are recruiting today.

So we think it is a part of our leadership in the organization to make sure that the employees we have today feel valued. And, by the way, the initiatives that are sponsored by the Congress, they are important to us. And then specific communication that we initiate. In fact, this weekend, I am participating in an awards ceremony for college grads for engineering. And that is up in Baltimore. So there are a lot of outreach programs. The SMART program that is in the Department of Defense. The STEM program that have been sponsored by the Congress. These are all outreach tools that allow us to get to the public from K through 12 to college communities to positively communicate the benefits of being a part of public service.

Senator AKAKA. Thank you. Ms. Pica.

Ms. PICA. Yes, I do believe that there is an impact, both for people that are interested potentially in coming into the workforce and also for those that are in the workforce in terms of staying or leaving.

Over the past 5 years, the government as a whole has been successful in recruiting more people into the 1102 series, the contract specialist series, than have left. To make sure that continues, I think one of the things that we have to do is make sure we are conducting outreach. And part of that outreach talks about what Mr. Denett mentioned with the SHINE initiative sharing those positive stories.

So for the 57,000 plus people that are in the 1100 procurement traditional series, you have a few people that are mentioned in the press. Recently, yesterday, there were some more that there are some problems with.

So what we would like to do is share success stories through the SHINE initiative. OPM also has a wealth of knowledge about what I did at work today that highlights kind of the neat things that you do with acquisition and contracting.

When I am out speaking, a lot of people are not aware that, for example, disaster recovery certainly has a significant support that comes from contracting. We need to share those stories.

The Partnership for Public Service has an outreach program that's called Making a Difference and what they do is they highlight with videos and testimonials different success stories about this is what I did at my job today.

The highlights are targeted towards those initiatives that OPM—not those initiatives, but those triggers that attract people to public service that OPM has identified through a body of knowledge. So part of the Federal Acquisition Intern Coalition is going to include those vignettes.

We also have to make sure that we are caring and feeding, if you will, the existing workforce, and that is what Mr. Denett is trying to do through the SHINE initiative.

So absolutely, I think it has an impact. Absolutely, it is informing what we do every day, and we are working closely with OPM and such leaders as the Partnership for Public Service, because we need to leverage what they already have to tell the good story that government has and create more vignettes for the contracting professionals so we can reach more people.

Senator AKAKA. Ms. Pica, there seems to be a problem growing here. The 2006 Acquisition Workforce Report found that only about 20 percent of workers who left the Federal acquisition workforce were eligible to retire. Now this means that 80 percent of these workers left without being eligible to retire. So that is a growing problem.

Has FAI done any additional analysis that would tell us why these workers are leaving and where they are going?

Ms. PICA. Well, thank you for asking. Actually, this year, in the report, we are adding a new section that is about where these people are going. And so, what we are going to have now is for the people that are—it is—right now, we are looking at for the people that are staying in government which career field they went into and for the people that are leaving, we are going to actually try to

start doing some, if we can, interviews. It is hard to sometimes track people when they leave.

Some of the agencies do exit interviews to see why people are leaving the workforce. So what we are going to start with is those people that we have identified that left the 1102 series and went into another government series, we can track who those people are, and what we are going to do is ask them first why they left the contracting series to move into another series to see if we can develop some data from that. And then see if we can find some of the people who actually left the government to interview them as well.

So thank you for noticing.

Senator AKAKA. What is the government doing to hold onto workers already in the acquisition workforce?

Ms. PICA. That question is a little more challenging to answer.

As Mr. Denett had mentioned, the SHINE initiative is one thing, because one of the things that we have learned as human capital leaders people need care and feeding. They need to have attention, highlighted for when they are doing great things, and then also not be—I will not say reprimanded—but be provided learning opportunities for maybe some activities if they are not quite in the right direction.

So what we are looking at—the SHINE initiative. We are also looking at some mentoring. And the mentoring is not just for people that are in the entry-level programs. People need mentoring all throughout their career. Maybe it is mentoring as a contract professional. Maybe it is mentoring to be able to see where they can go as a career.

OPM has what is called career paths that are identified for various elements of the workforce. And what they do is they say if you have a member of the workforce in this particular generational category, these are some things that you can do to help coax them, I guess if you will, in staying in the career field they are in.

So we are working with the career path information. We are working with OPM on more research, but also the agencies have programs, and so you see agencies giving out rewards. You see agencies recognizing people, high profile, maybe articles in newsletters bringing attention to that.

What we are also doing is for awards that are given out, whether they are through Mr. Denett's SHINE initiative or at the agency level, we are inviting those award winners to give presentations through our learning seminars.

So, for example, we have the GSA Expo coming up where we have 14 or 15 different training tracks, so we are bringing those people in to say can you repeat and share with others what you did.

What we are finding is people love to talk about what they have done when it has been a success. And that gives them a sense of pride and accomplishment, which they then take back to their office. And they say, I do make a difference. And that is part of what we are working to do, and we are also trying to get them to see that it is not moving paper from one place to another. It is providing food for in a disaster environment. It is putting out forest fires, like Mr. Denett had mentioned.

Senator AKAKA. Thank you very much. Senator Voinovich.

Senator VOINOVICH. I had not had the opportunity to read your testimony, so I want to say that I have been very impressed with what I have heard today. Ms. Pica, I impressed with your enthusiasm. How long have you been with the agency?

Ms. PICA. I have been in this job for 16 months, and prior to that, I was privileged to work at the Department of Homeland Security to set up their acquisition workforce program. So I have only been with FAI about 16 months, but I have been doing this kind of work for a few years.

Senator VOINOVICH. Are you a civil servant or are you a political appointee?

Ms. PICA. I am civil service, sir.

Senator VOINOVICH. Mr. Anderson, are you a civil servant or a political appointee?

Mr. ANDERSON. Civil service.

Senator VOINOVICH. Mr. Denett, what are you?

Mr. DENETT. An appointee.

Senator VOINOVICH. Well, it is comforting to me, Mr. Chairman, that the government has some people that are going to be continuing this work into the next Administration. One of the things that Senator Akaka and I are concerned about is that in a lot of agencies where we are starting to see some real transformation is whether or not the people will be there to pass the baton onto the next Administration.

How much coordination is there between your efforts and the chief human capital officers, the CHCO Council?

Mr. DENETT. We are working really close with OPM and the CHCO group. In fact, this time we have included the acquisition function as part of their human capital plan. It included projections of who would be retiring in the next several years.

Senator VOINOVICH. And what plan?

Mr. DENETT. This is the human capital plan that is submitted to the Office of Personnel Management. It was submitted just in the last month.

Senator VOINOVICH. Strategic human capital management was not part of Government Performance and Results plans until 2003. So now, each department is required to include this in their annual plans.

Mr. DENETT. Right. They have now submitted that, and we are analyzing that and then whatever number they put down—let us say they say we know these many people are going to retire. Here are the skills gaps we need. How do we fill it through training and through additional hires and at what grade level? And at the Office of Management and Budget, we will be working——

Senator VOINOVICH. So this goes beyond acquisition. It looks at the whole gamut of things for a change?

Mr. DENETT [continuing]. On everything connected to acquisitions. The program managers, the contracting officers and specialists, because we need all of them if we are going to succeed.

Senator VOINOVICH. Now, is it just on acquistion workforce or does it extend to other areas where we have need?

Mr. DENETT. Well, I think it covers the whole gamut, but I have obviously focused——

Senator VOINOVICH. But your piece of it is——

Mr. Denett [continuing]. On the acquisition piece.

Senator VOINOVICH. OK. Go ahead.

Mr. DENETT. Well, anyway, so we are going to monitor that to make sure they, in fact, fill those vacancies because we want to know the right number. As has been stated earlier here, it is a couple of misnomers. We talk about we have gone from $200 billion to $400 billion in spending, and that is true. And there was the significant dip that you pointed out that happened in the 1990s, significant cutbacks in acquisition. But we have turned that trend around. We, in fact, have a few thousand additional contracting people in the 1102 series now than we had 2 or 3 years ago.

So the truth is that we are now increasing the amount of resources that we are dedicating to the acquisition field.

The tough question is finding out what is the right number. So now, we are going up. So we are going in the right direction, but we do not want to go up dramatically the way we cut dramatically without doing it strategically.

And what you have just described, working with the human capital plans and OPM, we are trying to make sure that each department knows the right number so they can try to attract and hire and retain the right number rather than just do a simplistic, well if we went from $200 billion to $400 billion, then I guess we should double the acquisition workforce. Well, it is not as simple as that.

Senator VOINOVICH. But are agencies being forthright in giving you their best estimate of what resources or are they holding back because they are fearful that it is too expensive and will be turned down.

Mr. DENETT. Well, I know Homeland Security and others have asked for hundreds of additional people, and we have been supportive of that. And they are embarking on an aggressive program to hire.

Senator VOINOVICH. And I want to say that I notice that the Department of Homeland Security has requested $3 million to fund an acquisition intern program.

Mr. DENETT. Right.

Senator VOINOVICH. But that kind of transparency in money requesting is not common. For instance, at the Department of Defense, there is no way to tell what the budget allocation is for the acquisition workforce.

Mr. ANDERSON. Senator Voinovich, as you may be aware, in the NDA 2008 authorization, there is a section 851 that specifically requires that we develop a human capital strategic plan and that in that plan that the acquisition workforce will have a dedicated section to look at——

Senator VOINOVICH. Was there any money just specifically requested?

Mr. ANDERSON. I would have to go back and look specifically——

Senator VOINOVICH. Would you find out for me?

Mr. ANDERSON. Yes, sir.

Senator VOINOVICH. Yes, I would like to know, because they put everything under personnel.

Mr. ANDERSON. Yes, sir. But I can tell you for sure that there are active intern programs already ongoing, so we are not starting

a new program. We have had active programs for many years that have been very successful.

There is already an intern program office for the Air Force at Randolph Air Force Base. We have been successful with the Palace Acquire Intern Program. So this is not a new requirement that we are starting.

We are stepping back to take a look at whether or not we need to increase the size of those intern programs because of our concerns about projected losses.

Senator VOINOVICH. You are talking about an intern program. That means that you hire people while they are in school to be an intern? Tell me about that.

Mr. ANDERSON. This is recruiting people out of college who come in and go into dedicated and specific development programs for the acquisition community. And they are ongoing programs in all of the services.

Senator VOINOVICH. But are they on the payroll?

Mr. ANDERSON. They are.

Senator VOINOVICH. Yes, and congratulations on working with the Partnership for Public Service. Max Stier's group has been doing work.

Mr. ANDERSON. Right.

Senator VOINOVICH. But the fact is that you go to the colleges and let them know what opportunities are available.

Mr. ANDERSON. We do. In addition, for the technical community, we are very concerned about the programs that have been supported by the Congress, the SMART program, the STEM program that gives us outreach to K through 12 to get people interested.

Senator VOINOVICH. Another question I would like answered, and I will have my staff get it to you, is that we passed the America Competes Act in response to the National Academy of Sciences report.

Mr. ANDERSON. Yes, sir.

Senator VOINOVICH. Rising Above the Gathering Storm. Yes.

Mr. ANDERSON. Yes, sir.

Senator VOINOVICH. I would be interested to know just what impact you think the America Competes Act is going to have on your ability to attract folks in the STEM area.

Do you have an opportunity to go out to a school and say to find a bright student that might be interested in going to work for the government and offer him a scholarship in exchange for working at an agency after graduation.

Mr. ANDERSON. I would like to take that as a question and get back to you.

Senator VOINOVICH. My other question is regarding workforce flexibilities, do you think you have enough flexibility for hiring? Our legislation provided some more flexibilities to departments. The question is are they using those flexibilities?

Last but not least, if you are in a position to be losing people, and there are experienced retirees, do you have the capability to bring back an annuitant, to help train the new people without them losing their annuity?

Mr. ANDERSON. Right.

Senator VOINOVICH. We are concerned about the government ability to get the right people. Is one of the reasons why acquisition professionals are leaving because in the private sector there is such a demand for companies to offer more money.

Mr. ANDERSON. I would like to respond to that. We do have turnover in the workforce, but we are being very successful at retaining our fair share of the workforce. In fact, our studies have indicated that on average the members in the acquisition workforce actually stay in the workforce longer than other DOD employees.

The turnover rate, as we have looked at that inside the Department, and it should be noted that 70 percent of the 1102 series employees are in the Department of Defense. So when we go look at turnover rates, we have people who are moving out of the acquisition career field into other career fields, and it is primarily because of people who are seeking promotion opportunities.

We also have people out of other career fields who are migrating into the acquisition workforce, so that provides a healthy mobility for people within government.

Our big concern is that there is a large number of people who are surely heading to a point of retirement, and we want to ensure that we do have the right programs in place today that will allow us to continue to be successful at bringing employees in so that we can train and have people prepared—as you mentioned Chairman Akaka—to get them now in the timeline to get to a fully qualified employee.

So we are going back through and we are re-looking at all of our certification programs to convince ourselves that we are, in fact, producing the fully qualified individuals to do the work that we need them to do.

We have also started through the online programs that we have in place where we do interviews with existing experts to capture their expertise today so that it will be available for the future workforce.

So we are not losing all of that expertise.

I mentioned in my statement that Under Secretary Young had started this program of a living library. So we are going through now trying to identify those unique experts to get interviews with them that will be available where a person can get to it through Web casts, through captured knowledge that we will archive in videos.

So if we were in a position, we could tape this hearing and frame that so that people in the future can come look at it and we do not lose benefit of this knowledge and expertise of the existing workforce.

And that is an evolving initiative to help deal with this challenge.

Senator VOINOVICH. Thank you. Senator, you are generous with your time.

Senator AKAKA. Thank you very much, Senator Voinovich.

To follow up, Mr. Anderson, the Department of Defense requires both a bachelor's degree as well as academic credit hours in a business-related field. But to qualify to be in the 1102 series——

Mr. ANDERSON. Yes, sir.

Senator AKAKA [continuing]. While only one or the other is required outside of DOD.

Does the Defense Acquisition University still offer contracting training courses, even the online courses, to individuals from other agencies that have either a bachelor's or the business degree, but not both?

Mr. ANDERSON. Yes, sir. In terms of the offering of courses, and this is a reflection of the partnership that we have in place with Mr. Denett and Ms. Pica, our Web training is available to everyone. And we have specific initiatives, so if an individual is identified as being in the contracting community, they can get to our Web training. That is a part of our partnership. And that has been very successful. As I mentioned, over 18,000 grads during the previous 3 years have completed certification courses; and then the over 40,000 people who have gone through the continuous learning center. So there is a very large collection of courses that are available.

At the continuous learning center, we have over 200 courses that address a number of the gaps that have been identified that is available to an individual today, and we are working at developing more targeted initiatives.

The challenge is the resident courses that we have that is really driven by the internal demands in the Department. So what we have done, we take the material that we have. We make it available to Ms. Pica who works contracts so that external providers can take the same learning content and deliver in resident courses to members in all of the Federal agencies.

Senator AKAKA. Now, Mr. Denett, the 2006 Annual Report on the Federal Acquisition Workforce found that the average general schedule level for contracting specialists in the 1102 series is a GS–12.

Out of the entire 1102 workforce, only 706 individuals were GS–15. If individuals are willing to put in the training to become an acquisition professional, is there a career track for them to stay in the acquisition community and continue to advance in that area?

Mr. DENETT. Absolutely. It is a great time to be in the acquisition field. Because of baby boomers who are retiring, there are vacancies occurring each year at the highest ranks, at the senior executive service rank. And that spills down into the GS–14's and GS–15's.

I think there is improvement in classification recognizing the complexity of acquisition jobs; that there are more contracting officers that are able to get GS–14's and GS–15's. I think the fact that they can move among departments is a real plus, too, because when we are trying to attract the people, we say, you go work for General Motors. If they have a bad year, you might have to leave and start all anew on your benefits. When you are in the Federal Government, you might be working for Agriculture for 5 or 10 years and then you move over to the Army and then you go to the Interior.

Well, they do not lose the longevity. They keep their benefits package, the health care. They're earning—accruing annual and sick leave. That is portable with them as they move among the government.

So I think there are definitely career paths. Many of them are formal, like in the beginning, this new initiative of our coalition—we have a nice little flyer here, which I could give you a copy of, that has come out just in the last few months, but the whole theme is "Be America's Buyer." And it talks about all the pluses of that and how there is career advancement opportunities.

The intern program itself has two promotion spots after they have completed a year each time. Then once they leave that and go with the residing agency, they have ladders all the way up to and including GS–15's.

So it is a great field for them to get into and I think we have to do a better job of publicizing it, and I think we are doing that now. This "Be America's Buyer" accents all the positives. We can forgive college loans. We can give various retention bonuses, opportunity to work with some really neat people and great programs. So they have got a ladder, and I think we are going to do a good job of getting our share of the talent pool and retaining them as long as we keep them engaged in doing contracts.

Every now and then, we have a hiatus. I mean, I am really glad that you all got us the direct hire authority, but unfortunately, it did lapse on September 30, and we had a few months where Homeland Security and others had people queued up and they could not exercise the authority. That is behind us now. We had it restored. But anything you can do to try to prevent having any of those hiatuses in the future would be very helpful to us.

Senator AKAKA. Thank you. Well, Mr. Anderson and Ms. Pica, I am pleased that many agencies have implemented their own acquisition internship programs, as you have mentioned. They have shown great promise as a tool to recruit new workers.

However, I think the Federal Government may benefit from reaching out, and I would like to use the word "reach out" to potential Federal workers before they have even graduated. And you have mentioned that you do this with some of the high schools as well as colleges.

Have you worked with colleges or universities to develop training partnerships that give undergraduates a strong foundation to move more easily into the acquisition workforce?

Mr. ANDERSON. Yes, sir. I would like to address that. And this is a very strong initiative that we have ongoing today. In fact, next week, I will be traveling to Fayetteville State University in North Carolina, and as part of that, we will be meeting with administrators from historically Black colleges and universities. And I will be making a pitch relative to both the opportunities and the importance and job satisfaction of being a public servant. So that is one avenue.

I am doing that, but we have numerous other leaders who are doing that.

A program that we recently established with one of our local organizations, Warner Robbins in Georgia, we created a partnership between that organization, Macon State University, and DAU, where we are getting programs in place that allows them to cover a lot of the competencies that are important to us in the acquisitions, specifically contracting community, so these students when they go into Macon State they start to target public service early.

And when they come on board, because of the prescribed program that they have gone through, it will give them advanced standing relative to their Federal certification day one.

So there are a number of initiatives that we have across the board. In fact, I believe we have more than 50 partnerships in place now with academic institutions. So we think that your perspective is absolutely on target. We are working that hard, and trying to expand the program. In fact, it is one of the things that we have done collaboratively with FAI. We have brought them into the partnership program, because we believe this is also important to the Federal sector.

Senator AKAKA. All right. Ms. Pica.

Ms. PICA. I think there is a two-part solution to what you had talked about. In the past, as Frank had mentioned, FAI had been working with universities to put some of that information in the curriculum. And so that certainly DOD has made extensive roadway into that piece of it. So we are going to leverage what they have.

The other piece is, as you have mentioned, that reach out capability that you need to have for getting people interested. So one of the things that we are working with, and this goes back to, Mr. Voinovich, what you had said about the hiring authorities. There is a lot of hiring authorities that people are not aware of, and one of the things that we are doing in the intern coalition is make them aware of them. So you can go to the junior college level. You can get people when they are sophomores in college. You actually can bring them into the work environment on a part-time basis. They can get some of the training that they need both on the job and in the classroom to become a contracting professional, and because the hiring authorities are there—what you do is you work people through them.

I have done this before in a previous position I had with the Coast Guard. I brought somebody in that was a sophomore in college. She ended up then being a GS–12 down in Norfolk, which again, for that area, a GS–12 is top tier. She does not want to be a GS–15 in DC. She wants to stay down where she is.

But because the hiring authority allowed us to bring her in while she was in college, she got training. She got experience. She got mentoring. She was able to be non-competitively appointed to the next level and then brought into the Federal sector just like that.

And so what she was able to do, like the old shampoo commercial, she told two friends and they told two friends and then there was a huge push to try to get more people in that program in Norfolk.

So along with the curriculum that is existing or being put in place at colleges, you have to mirror that with more knowledge of these hiring authorities so people understand how to use them to attract more people.

And I tell you when some of those college kids at the vocational level or the junior college level or even when they are juniors and sophomores in college, they get real excited about making what we might think is not a lot of money. But when you are in college, that can be a lot of money.

So working with the HBCUs—I was up meeting with NAFEO the other day to talk about how to bring kids in—they have an excellent program where they bring kids in for the summer, sometimes semesters. And then all those people are eligible for the training while they are in the programs. So I think it is an excellent idea, and along with Mr. Anderson, we are taking some action with the agencies to help them use those flexibilities to be able to do that.

Senator AKAKA. Well, it is great to hear your responses, and I know Senator Voinovich and I are hearing some good things in this hearing and I am happy to hear that. Senator Voinovich.

Senator VOINOVICH. I do not think I got an answer to the question of reemployed annuitants. If you need them, do you have the flexibility to rehire them?

Mr. DENETT. We are bringing in reemployed annuitants. In fact, Homeland Security is getting reemployed annuitants to actually mentor the new interns. Their dilemma was with all the additional contracting that they are doing at Homeland Security, they needed all their contracting officers to work on live contracts and found themselves short staffed to peel some of those people out to mentor new incoming interns.

So they are going to rely heavily on reemployed annuitants to fill that role.

Senator VOINOVICH. So they have the flexibility to do it?

Mr. ANDERSON. We do. The one piece that we are working on is the direct hire authority that was written into law for the Federal agencies, and we are working to ensure that we also have that flexibility.

Senator VOINOVICH. OK. But, so you are not sure that you have authority to reemploy annuitants?

Mr. ANDERSON. No, for the reemployed annuitants, we do have the flexibility——

Senator VOINOVICH. You are in a good position then.

Mr. ANDERSON [continuing]. To work that.

Senator VOINOVICH. Yes, you said that your direct hire authority ended at the end of September. Is that because it was part of the Defense Authorization bill which was not enacted in time?

Mr. ANDERSON. Right.

Senator VOINOVICH. Or it lapsed, and so you were there, ready to hire somebody but unable to do so. I am going to be giving a floor speech on the issue of the impact of not passing our appropriations on time. We have omnibus appropriations bills that contribute to chaos in the Federal Government. Agencies do not know what their budget will be or, in this particular case, your authority lapsed. Why have you not sought direct hire authority through the Office of Personnel Management?

Mr. ANDERSON. I am not sure about that, sir. I will have to check. We are working with our HR community. We do not believe that this is an issue of getting the authority. We just need to get it worked—everything in terms of our relationship with the Senate I believe is very positive and the feedback has been positive. So it is being worked on the direct hire authority.

Senator VOINOVICH. Yes, but we——

Mr. ANDERSON. And I would have to check. I do not believe that we have that authority now, but I would have to confirm that.

Senator VOINOVICH [continuing]. Gave OPM the authority to approve direct hire. I do not know why you would seek authority in the Defense Authorization bill. You have the authority and I am asking why should it expire because we do not get the Defense Authorization bill passed on time?

There ought to be some permanent thing there so that we do not have that situation.

Mr. DENETT. I agree with that. And we would welcome that.

Mr. ANDERSON. We would agree with that. Right. Because if it is something that we have all collectively decided that we need to do, we should not have to continue to ask for it.

Senator VOINOVICH. Absolutely. I am really quite pleased with your SHINE program. I would like you to tell me a little bit more about it. One of the things that I did when I was Governor of Ohio was institute a program to recognize employees, and I would present certificates. Do you have a program to recognize who comes up with ideas on how they can be more efficient or save money?

Mr. ANDERSON. Yes, sir.

Senator VOINOVICH. In Ohio, we used to give out cash rewards to people for ideas that saved money. We also had the choice of money or we had a catalogue where they could get a TV set or other gifts. And I am telling you it was great.

Mr. DENETT. Yes, some of our SHINE awards do include monetary recognition. Some of them are just certificates. At the Ronald Reagan Building this last year, we had big posters with pictures of the winners with little captions of what they had accomplished. We then had panels where award winners met before thousands of people in workshops to explain what they had done.

FAI, DAU, and others then export this as best practices that people can tap into and share and try to copy. So it is very uplifting to have a gathering like that where these people do that kind of work behind the scenes tirelessly get recognized by their peers. It goes through a scrub with judges from academia, from Federal and from private, and it is quite an accomplishment to win one of these.

Senator VOINOVICH. Now is this just in your acquisitions area in OMB?

Mr. DENETT. Well, acquisition throughout the Federal Government; yes.

Senator VOINOVICH. Throughout the Federal Government.

Mr. DENETT. I do not know if you two want to add to that or not.

Mr. ANDERSON. I would like to say that I think the SHINE program has been extremely successful. We were very proud of the nominees from the Department of Defense who were selected. So it is a program that I think is having a very positive impact across the Federal enterprise.

I would like to also mention a program that we have started in the Department of Defense, which is our Acquisition Workforce Development Award, which is presented annually and that was operated under the leadership of the Hon. John Young, where every year we recognize the organizations who have created what we view as being the most innovative workforce development award, because when you really go look at it, at the corporate DOD level, we can set guidance, metrics, policy, but to be successful, we really do need field organizations that have embraced these programs.

And what he is attempting to do through this is to create healthy competition at all of our bases and locations so that we have all of the leadership team involved and actively developing healthy, rigorous workforce development programs at the local level.

And annually, we submit—or will select a gold, silver, and bronze award winners from our field programs that look at what they are doing outside of the structured training for workforce development, local recruiting, partnering with local colleges and universities.

Chairman Akaka, you had mentioned the outreach, how important you believe that is, and the whole purpose of this program is to create structured energy throughout the Department and reach through all of the acquisition leadership team and that program is being very successful.

Senator VOINOVICH. Thank you.

Senator AKAKA. Thank you. Here is one that Senator Voinovich has been working on, and I just want to hear what you feel about this. This question occured to me, too, when he was asking whether you are civil service or appointee?

Mr. Denett, under current law, all agencies large enough to have a Chief Financial Officer must also have a Chief Acquisition Officer. That position is responsible for overseeing overall acquisition management at agencies, and it is supposed to be focused primarily on acquisition issues and is required to be a non-career political position. However, contracts do not end at the close of an Administration, as it is a concern of my friend, Senator Voinovich.

Do you believe the Chief Acquisition Officer should have to be political positions?

Mr. DENETT. Yes, I am supportive of that, but a thing to remind ourselves of is immediately under that are senior executive positions called the Senior Procurement Executive. Those are all filled with career people. So even though there is political appointees that have the Chief Acquisition Officer position, they always have a SES Senior Procurement Executive underneath them that has continuity, career status, frequently have 20 plus years of service at various departments. I work very closely with the Senior Procurement Executives and draw on them constantly on working groups to have knowledge and push programs forward.

So I think as long as we have that combination of the political Chief Acquisition Officer with the career Senior Procurement Executive that formula works well for us.

Senator AKAKA. Thank you so much. Now to all of you, the Acquisition Workforce Competency Survey, recently released by FAI, found that the average proficiency level of the acquisition workforce for many contracting skills is intermediate at best.

Some of the lowest proficiency levels were in the important areas of performance-based acquisitions and competitive sourcing, where workers were only rated about a two out of five.

Now what steps are being taken to apply the results of this survey modifying training as well as providing additional training to the workforce?

Mr. DENETT. I think that Ms. Pica and Mr. Anderson could address that the most, but I am pleased at the results that they have gotten. There are some existing courses that they are modifying.

They are offering them online and in the classroom. And they are specifically developing some to address the shortcomings that the survey showed. So I will yield to you two.

Ms. PICA. Thank you. The Competency Survey actually certainly did identify gaps, which is an excellent point of the survey. One of the things that we did, we have been doing continuing analysis on the report, and what we have noticed the competencies in the 1102 series are higher than for the general series. So what you have from that report, while overall there was a gap, there were 26 different job series that responded to that because there were at least that many different job series performing essentially contracting work in the government.

So the 1102 skills set is a little bit higher and is where we think it should be versus the overall competency survey.

That said, there are still gaps. So what we are doing to address those gaps, for example, in negotiation, there was a desire for more training in negotiation. That was an expressed desire. What we are doing is we are working with—the Air Force has a really strong practical negotiation course, so you have a little bit of information you get, but then you get in the classroom and you actually do practice negotiation, which we are finding because people are not as confident maybe in their knowledge and abilities when they are face to face with potentially somebody from the private sector, that that is an area of risk for them.

And so, by May, we will have that pilot course underway, and it will have a service focus on it. So we are going to be looking at changing the scenario that is in that class into a more service focused scenario.

The performance-based acquisition; absolutely. That was identified as another area. And what we are finding is it is more about defining the metrics. How do you build a good metric?

So what we are doing, we have a class—FAI offers a classroom around the country that is a workshop in how to build a good performance work statement, and that includes a segment on what is a really good metric? How would I know I am going to get the result that I need?

We also have through DAU's online learning platform, there is an online course people can take in that, and we are going to be rolling that out in 2008, if resources permit, another course that is designed really for the people that are in the requirements community so that they can identify and build good metrics and support the contracting community to get the results that they need.

So that is something that we have worked with the General Accountability Office. They have identified that as an area that they can help us in.

So we have additional training—toolkits. Another area that was in the survey that was spoken to was the contract management section. And again, the Partnership for Public Service has had about a year's worth of research they have done in best practices in contract administration and management.

We are taking that research, and we are turning that into some online toolkits that people can use and access and then finally what we are doing is we are analyzing—when we first started looking at the Competency Survey, we noticed that there was in some

cases a gap between the training that currently exists and the competencies that are required. So we are doing further analysis to identify those and then develop—as Mr. Anderson had mentioned, there are supplemental solutions, about 200 through the online environment—targeting those particular areas.

Some of the solutions will be in place this year, so when we redo the survey we might see some results, and some of the solutions might not be in place until next year because of some resource issues.

Senator AKAKA. Does the Acquisition Workforce Annual Survey also count all of those individuals in the Competencies Survey?

Ms. PICA. No. Actually one of the benefits of the survey it highlighted for us there are a lot more series doing contracting. So that is something we need to look at.

Senator AKAKA. All right.

Mr. ANDERSON. I would like to respond to that, also. In the Department of Defense, Shay Assad, who is the Director of Defense Procurement, is leading a very comprehensive competency survey. Our approach is a little different. And in order to get a closer fix on exactly what the competencies are, it has focused on what we view as being the major contracting areas—base operations, major systems.

So when you go look at the community, it is kind of important to get a good fix on what they are doing.

The approach also is a little different in that we are doing what we refer to as couple assessments. So we get feedback from both the individual and their supervisor, our paired assessment, where we can look at them and get a fix

What we hope to do, the work that came out of the survey is very important to us. We are looking at it and using it as we deploy initiatives, but there is a point where we hope that we will get integration between what has come out of that survey and ours as we start to look.

We expect to have the contracting assessments that is being led by Mr. Assad completed in July, and at that point in time, we will step back and take a look at the specific training initiatives to deploy.

Some of the areas that Ms. Pica mentioned we absolutely agree with. We know that those are issues that we need to take on. So we are not waiting. We are moving out, but we really do want to convince ourselves that the feedback from the survey is, in fact, a clear indication of where our gaps are.

So we are moving a little slower. We are taking advantage of the work that has occurred. But it will be this summer before we have completed our competency survey.

Senator AKAKA. Thank you.

Mr. DENETT. I am encouraged by the cooperation between Defense Acquisition University and FAI. It is heartwarming, a lot of sharing, and a lot of making real improvements. I mean, we are tackling not just the contracting officer, but now for the first time, we are having mandatory requirements for program managers. They have to be trained. They have to have experience. You cannot just take the new kid on the block and say here you are in charge of this program, but they have got to learn through classroom and

online training how they can do a good job at being program managers and being part of the acquisition team.

Senator AKAKA. Well, thank you for that statement, Mr. Denett. Many acquisition specialist jobs require security clearance, especially at the Department of Defense and at the Department of Homeland Security.

This Subcommittee has held several hearings already relating to the backlogs and problems with the clearance process at DOD and across the government as a whole.

Does the clearance backlog hurt agencies' ability to get new uncleared workers into the acquisition workforce?

Mr. DENETT. I would say the answer to that is yes, but I know it has been brought up. You have been pressing it. I know Clay Johnson at OMB is making it personal to really press the Departments to honor one another's clearances.

Obviously, when we finally go through all this trouble, do the selling to be America's buyer with our little brochures and reach out and the campus visits they are doing and we get that close and then they find out that something has to be delayed a few more months while additional checks are going on, we are at a disadvantage when we do not complete those quickly and when we do not honor one another's because while that time lapse takes place, guess what? Many of them decide, I am going to go work for IBM or some other private enterprise.

So we need to continue to work hard to process those as quickly as possible and to honor one another's clearances.

Senator AKAKA. Well, thank you very much. I want to again thank all of our witnesses for your testimony, and your responses have been excellent.

The challenge of building the entire Federal workforce, as you know better than I, is not an easy job. Within the acquisition community, the government faces especially important challenges that must be confronted. The acquisition workforce is unique in that the government is putting great trust in the hands of those spending taxpayers' dollars on goods and services from the private sector.

It is important that the government continue to earn that trust from the public through better acquisition outcomes, created by an even stronger acquisition workforce.

And I want to thank you again for this hearing, and the hearing record will be open for 14 days for additional statements or questions for the record by other Members as well.

This hearing is adjourned.

[Whereupon, at 11:14 a.m., the Subcommittee was adjourned.]

APPENDIX

STATEMENT OF SENATOR CARPER

First, I would like to thank Chairman Akaka and ranking Member Voinovich for holding this timely hearing to learn about how we are going to solve the pervasive problems facing the Federal Government's acquisition workforce.

Just last month, I chaired a hearing on the management and oversight of contingency contracting in Iraq. Time and again the panelists described to me situations where hospitals and community centers built by contractors violated building codes and presented dangerous health hazards to American troops and the Iraqi population. Other examples detailed how contractors were paid to construct needed local infrastructure that was never built and the money never refunded. However, the worst situation described by First Sergeant Perry Jefferies, U.S. Army (Ret.) was when American troops on patrol had to ration their scarce food and water for days because contractors failed to deliver needed supplies in a timely manner.

In addition, Senator Coburn and I have held several hearings on the lack of contractor oversight in the government's information technology portfolio. My subcommittee has been investigating millions of dollars in danger of being wasted due to poorly planned IT investments. Previous hearings that I have chaired uncovered government investments that lacked clear goals, expectations, and most surprisingly, qualified project managers—all essential ingredients for an investment to be successful. This year doesn't look to be any better.

Recently, the President has requested $71 billion dollars for fiscal year 2009 to fund IT investments. However, 72 percent of these projects are listed by OMB as "poorly planned" leaving American taxpayers highly susceptible to waste, fraud, and abuse.

These are just two of many examples we have seen in recent years of poor acquisition practices leading to bad outcomes and waste. I know there are efforts underway—and the full Committee has done its part through some legislation put forward by Senator Collins last year—but we can and should do more.

With almost half of the Federal Government's workforce able to retire in the next 10 years, these problems aren't going away anytime soon. I am interested to hear from our panel today and learn about what we can do now to solve these pervasive problems and ensure that the Federal Government is effectively overseeing contractors.

Once again, I would like to thank Chairman Akaka and Ranking Member Voinovich for holding this hearing and look forward to questioning the panel to learn how Congress can play a constructive role to solve our government's acquisition workforce problem.

STATEMENT OF PAUL A. DENETT
ADMINISTRATOR FOR FEDERAL PROCUREMENT POLICY
BEFORE THE
SUBCOMMITTEE ON OVERSIGHT OF GOVERNMENT MANAGEMENT,
THE FEDERAL WORKFORCE AND THE DISTRICT OF COLUMBIA
COMMITTEE ON HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS
UNITED STATES SENATE
FEBRUARY 14, 2008

Chairman Akaka, Senator Voinovich, and Members of the Subcommittee, I am pleased to appear before you today to discuss the federal acquisition workforce. This topic is of high importance to the Office of Federal Procurement Policy (OFPP) and continues to receive our full attention. As agencies increasingly turn to contractors for their expertise and innovation, the skills and good judgment of our acquisition workforce become more closely tied to our government's ability to buy needed goods and services and deliver effective results. I am grateful to Congress for its recent actions to support our workforce by making the acquisition workforce training fund permanent and extending direct hiring authorities. This morning, I will describe a number of key steps the Administration has taken for its part to ensure the acquisition workforce is well equipped to meet our agencies' needs.

During my confirmation to become Administrator, I pledged to Congress and our taxpayers that I would make strengthening the acquisition workforce a top priority. I am pleased to report that in the 18 months I have served as Administrator, OFPP has taken unprecedented actions to improve the caliber, agility, and professionalism of the workforce. In close

partnership with the Federal Acquisition Institute (FAI), and with the support of the Defense Acquisition University, we have:

- developed certification programs that, for the first time, standardize training and experience requirements for contracting officers, contracting officer technical representatives, and program managers across all civilian agencies;
- completed the first-ever contracting workforce competency survey, the results of which are being used by agencies to develop comprehensive plans for closing skills gaps;
- launched the Federal Acquisition Intern Coalition to improve recruitment and retention strategies among agencies and increase the number and caliber of new hires who enter the government into a structured development program; and
- established the "SHINE" initiative, the first coordinated government-wide effort dedicated exclusively to recognizing individual employee achievements of acquisition excellence within our workforce.

I believe these important steps address the acquisition workforce recommendations made by the Acquisition Advisory Panel established under the Services Acquisition Reform Act. Let me now briefly elaborate on each of these efforts so you can better understand how they are laying the foundation for meaningful and ongoing improvements.

Certifying the acquisition workforce

The three certification programs that are currently being implemented – for contracting officers, contracting officer technical representatives, and program managers -- will benefit our workforce in many ways. First, structured programs will help strengthen our employees' capabilities and professionalism. Second, common training, education, and development standards will facilitate career mobility across agencies so that resources may be more easily applied where they are needed the most. Third, focusing on the entire acquisition community, as opposed to just contract specialists, will significantly improve our stewardship of taxpayer

dollars. Program and project managers have critical knowledge about the government's requirements. Helping them gain a better understanding of the acquisition process will enable them to partner more effectively with contracting personnel in the development of clear contract requirements and the oversight of resulting contracts. Structured training for contracting officer technical representatives and other individuals performing these functions will further reinforce the government's ability to manage contracts effectively.

Planning for the future

Recognizing that each agency's acquisition workforce differs in terms of size, capability and skill mix, FAI, in coordination with OFPP, conducted a survey last Spring, to help civilian agencies assess their proficiency in core contracting competencies. Each agency, in consultation with the Office of Personnel Management, is using the results of this survey to develop a tailored plan for closing its own skills gaps that is being incorporated into the agency's human capital plan. Plans include a range of strategies, including, but not limited to, training, certification, and hiring. Agencies are also using the survey data to conduct acquisition workforce succession planning.

Recruitment and retention

As I mentioned earlier, we launched the Federal Acquisition Intern Coalition, a government-wide recruitment, development, and retention campaign that promotes acquisition as a career of choice, and serves as a "one stop shop" for job seekers to find internship and career development opportunities. I believe this coalition will make a significant contribution to

recruiting talented, business-skilled candidates and developing them into effective buyers. Those interested in careers in the contracting field can now search internship opportunities, find job announcements, research agencies, and learn about job fairs. The coalition will help ensure that federal acquisition organizations are successful in attracting their share of new talent.

In addition, we recently issued guidance on statutory authority which allows agencies to hire retired annuitants to fill critical vacancies in the acquisition field. Use of this authority will enable agencies to manage the loss of experience and corporate knowledge as the baby boomer generation retires over the next few years.

Recognizing acquisition excellence: the SHINE Initiative

Shortly after my arrival at OFPP, I created the SHINE initiative to ensure best practices are shared and the value of our federal employees is appropriately recognized. It is my hope that this recognition and appreciation will encourage our workforce to strive for excellence in their daily endeavors on behalf of our taxpayers.

To date, the SHINE initiative has recognized more than a dozen examples of individual and team accomplishments that have helped agencies excel in meeting their mission goals while ensuring that taxpayer dollars are spent wisely. These achievements have touched on all aspects of the acquisition process – from distinguished contracting to support the reconstruction of Iraq and New Orleans, to outstanding policymaking to strengthen our acquisition rules and metrics, to the effective and responsible use of procurement innovations to create more productive partnerships with our contractors.

Today, I would like to briefly acknowledge the exceptional achievements of three SHINE award winners.

- Ms. Jean Todd of the Army Corps of Engineers set up an on-site, full service contracting office in New Orleans to provide critical reconstruction support in the wake of Hurricanes Katrina and Rita, including the award of contracts for more than 81,000 temporary roofs. Nearly $1 billion in subcontracts were awarded to small disadvantaged businesses and significant opportunities were also created for local small businesses.
- The late Commander Philip Murphy-Sweet volunteered to be the onsite contracting officer in central Baghdad to help support establishment of a Criminal Investigative Court at Rusafa in direct support for the Baghdad Security Plan. His critical dedication as part of the Joint Contracting Command for Iraq and Afghanistan helped to ensure milestones for this important project stayed on track.
- The acquisition team at the Department of Justice's Bureau of Prisons and its private sector contract partner employed an innovative alternative dispute resolution (ADR) partnering approach in constructing a new environmentally friendly "green" federal correctional facility on time and on budget. Both parties recognize the project, which was completed without any formal claims or contract appeals, as a model project and the Bureau now is utilizing similar partnering ADR approaches on its other construction projects.

Congressional actions

Your letter of invitation requested that I comment on the workforce provisions in the recently enacted National Defense Authorization Act (NDAA) for FY 2008 and the Accountability in Government Contracting Act of 2007 (S. 680), which passed the Senate on November 7, 2007.

The NDAA. As I noted at the beginning of my statement, the Administration appreciates your actions to make the acquisition workforce training fund permanent. The continued resources made available through this permanent fund will help agencies have well-trained and highly competent acquisition professionals. These resources will also support efforts by the

Chief Acquisition Officers to identify hiring, training, and developmental needs for incorporation into their agencies' human capital strategic plans. We also appreciate the extension of the direct hire authority, which gives agencies additional flexibility in hiring at all levels and allows the government to be more competitive in its hiring practices.

S. 680. The Administration shares many of the same workforce priorities as are identified in S. 680, including a contingency contracting corps and a coordinated intern program. However, we have concerns with how these programs are codified. In the case of the contingency contracting corps, we do not believe statutory authority is necessary. In a December 6, 2007 letter to the Committee, we explained that the Department of Homeland Security, with the support of the General Services Administration, has already established a contingency contracting corps to provide a ready reserve of contracting officials for emergency situations. Moreover, several provisions associated with how the corps would be implemented are highly problematic, such as assignment of operational responsibility to OFPP, whose mission is to oversee government acquisition policy. OFPP is not equipped to take on operational responsibilities. Moreover, it is inappropriate to authorize payment for clothing and equipment from the acquisition workforce training fund, whose resources should be focused on vital training and development to improve the collective competency of the current and future acquisition workforce.

With respect to the proposed codification of the intern program, we are concerned that a mandate for a four year commitment will limit agencies' ability to attract good participants into the program and urge that the language provide greater flexibility. We further recommend that interns be treated the same as any other employee in terms of probationary status and civil

service protections. Automatically subjecting an intern to probationary status, as S. 680 would provide, could hamper the government's ability to attract the best qualified individuals to the intern program.

We would welcome the opportunity to work with you and other members of Congress should Congress decide to move forward with S. 680.

Conclusion

Getting good results from our acquisitions ultimately depends on the capabilities of the workforce. Our workforce must be equipped with the skills and competencies required to meet agency missions. I am confident that the initiatives I have described for you today will have a lasting and positive effect on the workforce and the performance of the government. I appreciate the steps Congress has taken to strengthen the workforce and look forward to working with you as we build on this progress.

This concludes my prepared remarks. I am happy to answer any questions you might have.

HOLD UNTIL RELEASED
BY THE COMMITTEE

Testimony of

Mr. Frank J. Anderson, Jr.

Director, AT&L Human Capital Initiatives and

President, Defense Acquisition University

Office of the Under Secretary of Defense for

Acquisition, Technology and Logistics

Hearing before the

U. S. Senate Subcommittee on

Oversight of Government Management, the Federal

Workforce, and the District of Columbia

On

Building and Strengthening the Federal Acquisition Workforce

February 14, 2008

Chairman Akaka, Ranking Member Voinovich, and Members of the Subcommittee: thank you for this opportunity to appear before you today. I will address the four topic areas you requested.

I will address these topics in order: 1) DoD's initiatives to recruit, train and retain; 2) My views on recommendations made by the Acquisition Advisory Panel as it relates to training; 3) training standards; and 4) DAU's relationship with the Federal Acquisition Institute.

First, I will address DoD's initiatives to recruit, train and retain the Defense acquisition workforce.

Recruiting Success

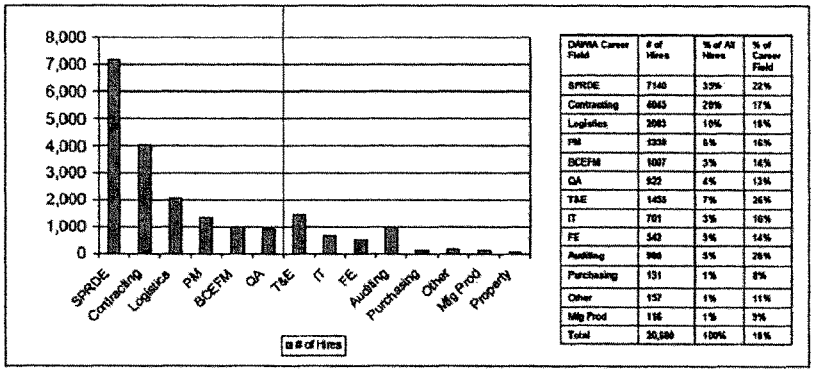
The Defense acquisition workforce (DAW) faces major challenges regarding new skills and the projected loss of experience and knowledge from Baby Boomer retirements. This national issue will impact every employer in America. As of 2005, half of the national workforce were the Baby Boomer or part of the silent generation. This situation is even more pronounced in DoD because Baby Boomers and older generations make up 76 percent of the current civilian acquisition workforce. According to preliminary RAND analysis, the Defense acquisition workforce (DAW) has a disproportionate share of employees eligible to retire as well as employees approaching full retirement eligibility. Current data indicates Defense acquisition workforce (DAW) employees retire later than other DoD civilians. The Department benefits from this "experienced" workforce staying longer. We also benefit from "acquisition-experienced" military members retiring and returning to the workforce as civilians. Yet, because of the large number of Baby Boomers, we view the pending loss of these highly experienced employees as the Defense acquisition workforce's greatest challenge. This is both a national and federal-wide demographic issue. The Department must actively shape the future acquisition workforce through effective recruiting, training, and retention.

Today, DoD is having success in hiring to meet its acquisition workforce needs. Seven major functional career areas represent 84 percent of the DAW: engineering; program management; contracting; life cycle logistics; quality assurance; test and evaluation; and business, cost estimating, and financial management. Based on the workforce years-of-service information, from 2002 to 2006, DoD hired approximately 7,100 (22%) in engineering, 1,300 (16%) in program management, 4,000 (17%) in contracting career fields; 2,083 (18%) in life cycle logistics, 922 (13%) in quality assurance; 1,455 (26%) in test and evaluation; and 1,007 (14%) in business, cost estimating, and financial management (BCEFM). The numbers in parentheses are the career field

percentages represented by these new hires. Approximately 18,000 new employees were hired during this five year period (see Figure 1).

Despite current success, the Department remains concerned about future hiring in the face of a shrinking talent pool resulting from baby boomers departing the workplace. To ensure future success, the Department is developing a robust set of workforce planning tools that will allow DoD to smartly shape and size the DAW.

Defense Acquisition Workforce Civilian Hires from 2002 through 2006



DAWIA Career Field	# of Hires	% of All Hires	% of Career Field
SPRDE	7140	39%	22%
Contracting	4045	20%	17%
Logistics	2083	10%	18%
PM	1339	6%	16%
BCEFM	1007	5%	14%
QA	922	4%	13%
T&E	1455	7%	26%
IT	701	3%	10%
FE	542	3%	14%
Auditing	986	5%	26%
Purchasing	131	1%	8%
Other	157	1%	11%
Mfg Prod	196	1%	9%
Total	20,580	100%	18%

Note: The two SPRDE career fields (Science and Technology Managers, and Systems Engineering) were combined.

Source: AT&L Workforce Datamart, FY 2006 (civilians only).

Figure 1. Defense Acquisition Workforce Five Year Hiring Profile

A recent Council for Excellence in Government and Gallup poll indicated DoD has high name recognition with potential new employees. This survey showed the national security arena was highly rated as an interesting place to work. Another survey conducted by the Center for State and Local Government Excellence, indicates Americans rate pay the 10th most important quality in a job. This is below retirement benefits, flexible workplace, potential promotions, and creative and intellectual stimulation. This supports why DoD is currently having success in competing with the private sector and other hiring organizations. Federal agencies, such as DoD, offer defined retirement benefits, competitive health care plans, and the opportunity to perform interesting work serving the nation. However, DoD can not afford to become complacent.

Recruiting Initiatives

The following represents some recruiting initiatives that are being worked successfully in the Department. The Department is working to make government

hiring practices more timely and competitive and to ensure awareness and better use of existing authorities (e.g., use of Highly Qualified Experts).

Intern programs are an integral part of the DoD's human capital strategy. In fact, the success of DoD's intern programs was recognized in the Report of the Acquisition Advisory Panel with the following statement: "Internship programs have demonstrated success in DoD components including the Navy and the Air Force, and in civilian agencies such as the Department of Interior." DoD has robust and rigorous intern programs and they are an integral part of the Department's recruiting strategy. For example, the Navy's acquisition intern program recruits 250 to 300 interns a year for its three-year program. The Defense Logistics Agency also hires more than 200 interns each year. The Defense Contract Management Agency hires approximately 100 interns per year. Continued success with ongoing intern programs helps mitigate the pending departure of Baby Boomers from the workplace. However, because of the size of the Baby Boomer population within the acquisition civilian workforce (76 percent), there is a need to expand existing initiatives.

In anticipation of potential expansion of recruiting and intern hiring we are specifically reviewing our intern information and taking steps to ensure data quality. Today, our workforce database provides for capturing intern information, and that data is being collected. This is an integral part of our ongoing initiatives to improve the quality of workforce data.

In an effort to attract the best candidates, DoD conducted market research in 2007. This resulted in improvements to the DoD recruitment website, www.goDefense.com launched on May 21, 2007. It provides easier access to information and features video vignettes of actual DoD employees describing aspects of their work and mission critical skills. It also provides an opportunity to have a "live chat" with a career counselor.

Student recruitment is accomplished through DoD and Component programs through expanded outreach and communications to instill early awareness in high school and college students, encouraging them to study science and engineering areas and through engineering intern programs. For example, the Science, Mathematics and Research for Transformation (SMART) Scholarship for Service Program is used to recruit and retain civilian physical scientists and engineers to work at DoD agencies and laboratories. Finally, DoD is engaged in a number of outreach activities with targeted groups, communities and learning institutions. As an example, recognizing the value of the Nation's veterans, the Department has established a Hiring Heroes Program and a web site especially for disabled veterans to help injured warfighters return to productive employment. The above

examples are just a few of the recruiting initiatives that are being deployed across the Department.

Train

DAU is constantly improving training strategies and deployment tools to help the acquisition workforce learn and be successful on the job. This requires delivering the right knowledge and skills at the employee's learning point of need. The Performance Learning Model (PLM) is the DAU learning architecture (see Figure 2). It integrates all learning activities to support job performance and workplace learning assets for individuals from entry level through Key Leadership Positions (KLPs). They can engage in the classroom, online, through knowledge sharing communities with the help of expert practitioners. The PLM expands the learning environment for the 126,000 members of the Defense acquisition workforce.

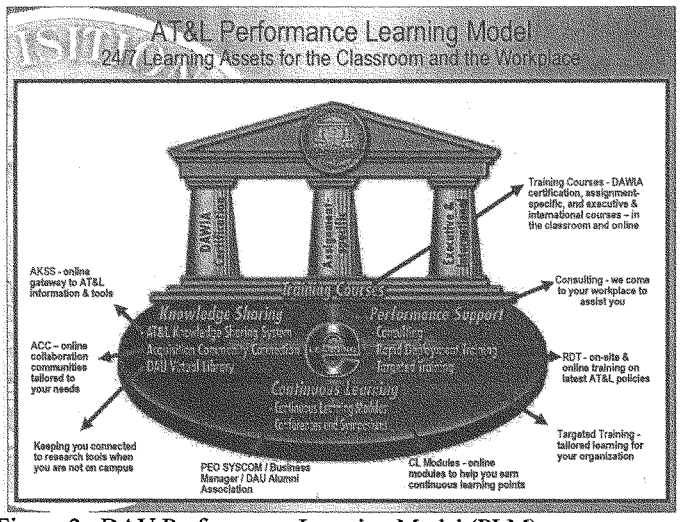


Figure 2. DAU Performance Learning Model (PLM).

The PLM allows the Department to rapidly expand and support competency and readiness needs and was recognized in 2003 as the best learning innovation in the United States by the Brandon Hall Research.

Major components of the PLM include the following:

□ **Certification and assignment-specific training.** Over 90 certification courses spanning 13 career fields are provided. Learning assets are delivered through a

mix of classroom, web-based, and hybrid offerings. Certification programs have long been a mainstay of career-development in DoD and in the Federal sector. In 2008 a new construct was implemented, which we call "Core Plus." To be certified one now takes courses in (1) the core elements of acquisition, (2) the core elements of one's career field, e.g., systems engineering, and (3) knowledge required for one's particular assignment, e.g., engineering for sustainability. The Core Plus construct was designed to advance the DoD Acquisition Technology & Logistics (AT&L) competency management model by providing a roadmap for the development of acquisition workforce members beyond the minimum certification standards required for their position.

□ **Continuous learning.** The Continuous Learning Center (CLC) provides more than 200 self-paced modules that keep the DoD AT&L workforce abreast of policy and procedures. These self-paced modules allow the acquisition community to complete relevant training at their learning point-of-need. In 2007, over 244,000 graduates completed training through the Continuous Learning Center.

□ **WebCasts™.** This new hybrid media initiative provides live interactive learning events between AT&L leaders, DAU faculty, and workforce members. In 2007, the Department implemented a robust AT&L WebCast™ capability and deployed 15 learning sessions led by senior leaders addressing priority initiatives. These sessions reached over 12,000 members of the Defense acquisition community and have become a major tool for senior leader outreach. The USD(AT&L) deployed a new learning asset -- the Living Library at Defense Acquisition University -- to share expert knowledge and unique lessons learned on key acquisition practices such as the Configuration Steering Board, Competitive Prototyping, and other best practices. The Department plans to populate the Library with at least 10 video interviews with successful program managers and 20 lessons learned documents by June 2008.

□ **Performance support.** Through onsite consulting, targeted training, and online knowledge sharing tools, AT&L continues to support students and their organizations following the classroom experience. DAU's seasoned faculty provides assistance to field organizations to improve their mission performance. DAU provides expertise, analysis, advice, knowledge, and information through on-site consulting, targeted training, and rapid deployment training. In FY 07 there were 380 consulting, targeted training, and rapid deployment events, which includes over 388,000 consulting, targeted training, and rapid deployment contact hours. It is noted that this includes support provided in Afghanistan and Iraq.

□ **Knowledge sharing.** The AT&L Knowledge Sharing System and Communities of Practice provide the DoD AT&L workforce and its industry

partners with an easily accessible and enhanced means to learn, share what they have learned, and use the knowledge to improve performance. This 24/7 learning asset has achieved phenomenal growth in the last three years. Today there are more than 30,000 weekly visitors to our knowledge sharing system. In 2007, over 30,000 visitors used our knowledge sharing system weekly. There were 50 million page views and 770,000 visitors. This learning asset enables the workforce to overcome the boundaries of time, space and distance in using learning assets real time.

Other Active Training Initiatives.

The military services and other defense agencies have also created very successful internal career development and workforce initiatives. The USD(AT&L) annually recognizes top field-level workforce development programs. Field organizations that achieve excellence in workforce development, including mentoring, continuous learning, career counseling, job rotation, executive coaching, leadership development, and succession planning are recognized. This encourages leadership involvement and has been very successful.

Retention

Today's retention challenge is to maintain or exceed the academic achievements of our current workforce, especially for our technical workforce. To mitigate the impact of departing seasoned talent, we are rapidly deploying tools to analyze and develop retention and recruiting options. Acquisition organizations must understand their current demographic situations and develop workforce lifecycle planning profiles.

Nearly 14 percent of DoD civilians are in science & engineering (S&E) occupations, and approximately half of DoD engineers belong to the AT&L workforce. According to the National Science Foundation, there will be a 26 percent increase in the number of S&E jobs between 2002 and 2012; a growth that is three times faster than the general workforce. An increased global demand for engineering talent is a related problem for DoD technical career fields. However, numbers of engineering degree graduates in the United States are stagnant. This situation will challenge DoD in maintaining its current technical excellence and technical edge.

Some of the Department's initiatives to address its retention challenges are the following:

To better compete for and retain talent, the Department is evolving an employee value proposition (EVP) strategy. While compensation and organizational

stability attract employees, development opportunities, future career opportunities, manager quality, respect, and collegial work environment, retain employees. A good EVP program provides a clear, concise, and differentiated message as to why high talented individuals would want to work for that organization.

Section 853 of the FY 2007 NDAA, "Program Manager (PM) Empowerment and Accountability," requires the Department to develop a strategy for enhancing the role of program managers in developing and carrying out defense acquisition programs. This initiative is being shaped to include opportunities for enhanced training and education, mentoring, improved career paths and career opportunities, incentives for recruitment and retention, and enhanced monetary and non-monetary awards are being considered. This will also support the EVP strategy.

The Air Force's Retaining Acquisition Expertise Initiative helps to preserve critical acquisition skills and experience. The program assists voluntary military separatees to transition into the civilian acquisition workforce.

To successfully execute recruiting, hiring, training and retention initiatives, strategic, data-driven workforce shaping objectives are critical. We are deploying a comprehensive data analysis capability to track, understand and improve data-driven recruiting, hiring and retention decisions. This provides a capability to accurately capture workforce attributes, certification, tenure and other data required for deliberate workforce sizing and shaping.

My Views on Recommendations Made by the Acquisition Advisory Panel

I was a member of the Acquisition Advisory Panel. Ms. Marcia Madsen, the Panel's Chair, provided great leadership, and the panel members had broad breadth and deep understanding of the federal acquisition process. Overall, I think the panel made excellent recommendations that will improve acquisition outcomes as they are implemented across the federal acquisition enterprise. I am very familiar with the workforce recommendations in Chapter 5, The Federal Acquisition Workforce. I will discuss DoD initiatives which directly address these recommendations.

There are four major recommendation categories in the Acquisition Advisory Panel's report: 1) Data collection and workforce definition; 2) human capital planning for the acquisition workforce; 3) workforce improvements need prompt attention; and 4) an acquisition workforce focus is needed in OFPP. I will address these in order.

Data collection and workforce definition

This finding focused on substantial problems with the data that are available on the federal acquisition workforce. The panel concluded that data has not been collected in a consistent fashion from year to year or across agencies. The panel recommended that OFPP should be responsible for the creation, implementation, and maintenance of a mandatory single government-wide database for members of the acquisition workforce. The potential for a government-wide database exists now as a result of leveraging DAU's data integration framework used for the DoD acquisition community. We have already migrated this capability to FAI for federal-wide use. DAU provided its support and shared its expertise in establishing the new FAI-ACMIS system architecture; led deployment and provided training to FAI personnel to use the system. This capability provides OFPP, DoD and FAI a Business Intelligence tool across the federal acquisition workforce for real time access to data, analysis and automated reports. The challenge at this point is not technology, but rather, managing the processes for maintaining the completeness and accuracy of the data. Within DoD, a significant effort is currently underway to build appropriate processes and improve both data quality and analysis capability. Recently, we provided a demonstration of this data warehouse to the GAO. We will continue to share lessons learned with FAI for benefit of the federal enterprise. This has the potential to be a huge success for the federal acquisition community.

Human Capital Planning for the Acquisition Workforce

An AT&L human capital strategic plan was published in June 2006 and updated in June 2007. In addition, we are evolving our human capital strategy in response to the USD(AT&L) Strategic Goals Implementation Plan. We have deployed specific initiatives to address Strategic Thrust 3, "Take Care of Our People." This thrust focuses on critical initiatives to both support and improve the DAW. Additionally, there are several new statutory requirements that establish specific guidance for DoD human capital strategic planning with emphasis on the DAW. We are currently on a race horse track to meet Congressional timelines.

Workforce Improvements Need Prompt Attention

The panel concluded there was a severe lack of capacity in the acquisition workforce and recommended aggressive action to improve the acquisition workforce begin immediately. Within DoD we are rapidly deploying tools to identify and assess gaps. In the 90's, the acquisition workforce was reduced without an overarching strategy or robust workforce planning and shaping tools. We are working diligently with a real sense of urgency to get the right tools in place to thoughtfully and strategically address workforce size and capability

issues. There are specific initiatives that drive to the heart of these important questions. We are deliberately and successfully deploying a comprehensive set of integrated workforce analytic capabilities and tools for the DoD enterprise. It will take time, but the Department will make significant progress in 2008.

An Acquisition Workforce Focus is Needed in OFPP

The largest part of the federal acquisition workforce is in DoD; approximately 70 percent of the 1102s (18,000), and the broader DoD acquisition workforce composed of 126,000 members across thirteen functional communities. We are collaboratively teaming with both Paul Dennett at OFPP and Karen Pica at FAI.

I believe DoD has made significant progress on almost every Acquisition Advisory Panel recommendation and action is either completed or deliberate actions are underway. The Under Secretary, the Honorable John Young, has established strong, pro-active initiatives that will deliver significant progress in human capital management capabilities this year.

Leveraging Standards for the Defense (and Civilian Agency) Acquisition Workforce

The Defense Acquisition University uses a variety of academic and training standards to create a robust learning environment. Standards are critical to improving training. They ensure effective and consistent certification programs, provide current and sound competency models that enable effective assessments. They also guide the structure of the learning environment. DAU uses both external and internal standards.

External Standards – Formal Standards for Training and Certification Programs:

As a DoD training provider, DAU follows three external training standards. They are: (1) institutional accreditation under the Council on Occupational Education, (2) the American National Standards Institute/ International Association of Continuing Education's Authorized Provider program for Continuing Education Units (CEUs), and (3) college credit equivalency under the American Council on Education.

Council on Occupational Education (COE): DoD schools are required to be accredited from a body approved by the U.S. Department of Education. DAU received its initial accreditation in 2003. The COE evaluation process required

DAU to meet eleven categories of standards including: institutional mission and objectives; educational programs; institutional outcomes; strategic planning; learning resources; physical resources; financial resources; human resources; organizational structure; student services and activities; and distance education. In its first review, DAU received the longest approved accreditation period that COE had ever issued. COE accreditation indicates our corporate university meets all elements in eleven categories of requirements (involving over 200+ standards) covering all facets of operations from mission to continuous improvement. COE accreditation is comparable to that of an academic college or university. DAU is currently undergoing its second accreditation review.

International Association of Continuing Education (IACET): The IACET program is process based and is recognized by the American National Standards Institute. It ensures that a training sponsor has policies and procedures in place to ensure effective practices are followed. IACET was the first set of standards to be recognized by the American National Standards Institute. DAU has met IACET standards for many years. As a result of meeting IACET standards, DAU is authorized to assign continuing education units.

American Council on Education (ACE): ACE uses standards to review and provide undergraduate or graduate college credit recommendations for DAU certification courses. Thirteen DAU courses receive graduate level recommendations. ACE recommendations enable Defense acquisition workforce members to apply DAU coursework towards college and university degree requirements. ACE recommendations provide further assurance of the quality of DAU offerings.

External Standards - Market Sector Professional Association Criteria

DAU has received many criterion-based awards as a corporate university from professional associations. These awards are criterion-(standards) based and promote measuring DAU's performance against nationally recognized measures of success. Today DAU is broadly recognized as one of America's leading training institutions.

In 2007 DAU received Corporate University Best-in-Class (CUBIC) awards as Best Overall Corporate University, Best Mature Corporate University, and Best Virtual Corporate University. Award criteria include alignment to organizational business strategy, blended learning adaptation, and enculturation of learning throughout the organization. The CUBIC awards honor corporate universities that apply true best practices. Over 50 corporate universities competed for this year's awards, which were judged by a panel of leading corporate university experts.

In 2007 DAU received various awards for leveraging innovative data analysis tools (the AT&L Data Mart) for improved performance and training management. DAU was named the 2007 recipient of the *Computerworld* 21st Century Achievement Award as the top organization in the education and academia category. The award recognized DAU's world-class information technology innovation of the AT&L Data Mart. DAU also received the Gold Award for Innovation at the 2007 Chief Learning Officer Learning in Practice Awards Ceremony, which recognizes highly successful applications of emerging technologies. Again, DAU was selected because of its enterprise e-Business architecture and Data Mart. Also in 2007, DAU was selected by *Computerworld* for a Laureate Award for data mart integration and implementation. DAU's business architecture has been identified as a best practice. DAU has supported the DoD Business Transformation Agency in deploying this architecture for internal use and has supported adapting the architecture for managing DoD AT&L programmatic information.

DAU, in 2007, was again ranked #1 in Leadership Development by Executive Excellence Publishing, a leading source of knowledge on personal and organizational leadership development. For the past 23 years, *Leadership Excellence* magazine has rated the best leadership development programs in seven categories. In 2007, over 1,000 organizations were surveyed, and the best leadership development programs were judged by the following criteria: vision, involvement, measurement, curriculum, delivery, reach, value, and impact on the organization. DAU was recognized for its world-class learning environment and its outstanding executive development and program management programs. DAU's success in this rigorous competition with the foremost leadership-development organizations and institutes is testimony to the dedication, technical excellence, and proven results of the university's faculty and staff.

External Standards – Benchmarking

In addition to participation in corporate university award programs, DAU assesses its sector leadership standing by benchmarking its performance against other high-performing organizations. DAU is a member of the American Society of Training and Development (ASTD) Benchmarking Forum, an organization of leading training institutions that shares performance data.

Total learning and development hours—In FY07, DAU provided the AT&L community with nearly 6.3 million total learning and development hours. Of this total, over 4.4 million hours of formal training were provided, 1.8 million hours of training delivered in a classroom setting, and 2.6 million hours of training delivered through e-Learning. While this figure alone is significant and demonstrates DAU's commitment to providing required formal training to the

DAW, it becomes even more significant when combined with the additional 1.88 million hours of learning assets over and above formal training course hours that were delivered to the workforce at work and at home through the online Continuous Learning Center modules, WebCasts ™, the AT&L knowledge sharing systems, performance consulting, and rapid deployment training,.

In FY07 DAU provided an average of over 49 learning hours to each of the 126,000 members of the DAW. This average compares quite favorably to the American Society for Training and Development (ASTD) benchmarking service average of 34.25 hours of learning and development per employee. This accomplishment is especially noteworthy because DAU focuses primarily on professional skill training while the ASTD average includes technical, administrative, and soft skills training as well.

Internal Standards - DAU Curriculum Design and Training Delivery

The Defense Acquisition University (DAU) has long operated to an extensive set of internal standards for training design and delivery.

DAU internal standards were established to ensure consistency of design and delivery across all regions regardless of location. DAU internal standards are detailed in publications and internal faculty professional development training. Publications include: 1) the DAU Curriculum Development Guide, 2) the DAU Road Map to e-Learning, 3) DAU directives, and 4) the DAU policy and procedures manual. Online job aids are also provided to our faculty and staff on each step of the instructional design process, and DAU employs a cadre of highly-skilled instructional designer/developers.

Internal Standards – Course Content and Career Certification

The USD(AT&L), through AT&L Functional Advisors, establishes education, training, and experience requirements for each AT&L functional community based on the level of complexity of duties carried out in that category of positions. Functional community teams called Functional Integrated Product Teams (FIPTs) support the Functional Advisor in carrying out these responsibilities. FIPT membership includes functional subject matter experts, acquisition career managers, instructional systems design specialists and DAU personnel.

Certification standards, comprised of education, training, and experience requirements, are established for each of the 13 functional communities, e.g., contracting, program management, and logistics. DAW members must meet these standards to apply for and receive certification. Each DoD Component (e.g., Army, Navy, Air Force, and other DoD agencies) is responsible for reviewing

individual positions and designating, per standard criteria, positions as acquisition positions by functional category. As part of the designation process certification level requirements are established for each position. The incumbent is required to meet the certification requirements of that position. In addition to certification requirements, assignment specific training may also be required, and to promote currency the DAW is required to complete 80 continuous learning points (hours) of training every two years.

In support of DAW members meeting certification requirements, DAU provides training courses and other learning resources that are aligned to competency requirements. DAU develops and delivers certification-related training based on Functional Advisor updates to workforce training requirements. Many DAU courses are also made available to employees of the federal agencies. Currently DAU has 62 certification courses, 45 assignment specific courses and 209 continuous learning modules.

DAU Level I certification courses are designed to provide fundamental knowledge and establish primary qualification and experience in the individual's career field, job series, or functional area. At Level II, functional specialization is emphasized. Courses at this level are designed to enhance the employee's capabilities in a primary specialty or functional area. At Level III, the focus is on managing the acquisition process and learning the latest methods being implemented in the career field or functional area.

DAU publishes the uniform framework of these requirements (certification levels) by position category, to include position category descriptions and certification standards. Certification standards are designated as either "mandatory" or "desired" and are uniformly applied throughout the DoD Components. DAW personnel can readily identify the training and education standards required for their career field and career level by using the checklists found in the DAU Catalog, which also is online at www.dau.mil/catalog. Standards are updated annually.

Internal Standards - DoD Acquisition Workforce (DAW) Competency Initiative -- Updating and Standardizing Competency Models for Enterprise-wide Use

A major AT&L workforce objective is to establish a comprehensive workforce analysis and decision making capability that will provide leadership an improved workforce data for recruiting, training, development, retention, and succession planning. The competency management approach is composed of four phases and includes identifying key behaviors and underlying knowledge, skills and abilities that contribute to superior performance. Updated, validated, enterprise-wide

competency models will enable effective skill gap assessments for all DoD acquisition functional communities. It will inform enhancements to the AT&L Performance Learning Model and to the AT&L Engaged Learner Architecture.

A key outcome is to meet the OPM-prescribed HR-XML standard, which will ensure interoperability with various learning-management systems in use across the federal government.

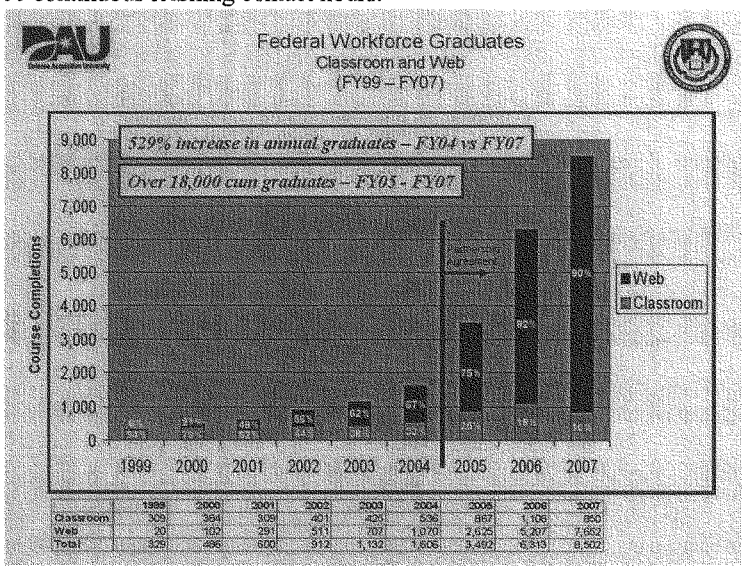
Subject matter experts from the civilian agencies participated in our contracting and program management efforts. We are evolving and using a science-based, four phased approach to updating the models which includes use of a multi-method approach to validating the competencies and involvement of workforce members and supervisors in the assessment process. Senior leaders are also a critical part of the model validation process. DoD contracting leadership provides an excellent example. In May 2007 the Director, Defense Procurement and Acquisition Policy (DPAP), Mr. Shay Assad, facilitated a session of 80 senior executives across DoD to review and update the contracting competency model in preparation for a pilot assessment. Their efforts, facilitated by competency experts, included setting expected proficiency levels for technical elements of the model at the entry, journey and senior career levels in six major contracting mission areas: major systems, base/installation operations, logistics and sustainment procurement, defense agencies and research labs, and contingency-combat contracting. Since August 2007 approximately 3,600 DoD contracting personnel, with supervisor involvement, have participated in the pilot assessment. In December 2007, the Director, DPAP hosted a second contracting senior leader summit and reviewed progress and plans for completing the AT&L contracting workforce-wide competency assessment. The community-wide assessment is progressing and a comprehensive final report will be developed and provided in October 2008. Competency models have also been updated for program management and life cycle logistics and each is going through subsequent validation and refinement.

The competency models are also being used to develop training and other learning assets, and they are designed for use by employees to plan their individual development.

The Defense Acquisition University (DAU) and Federal Acquisition Institute (FAI) Partnership

The DAU and FAI partnership is working and has achieved great success. This three year partnership, established March 11, 2005, when FAI collocated at DAU has exceeded expectations. This partnership extends DAU's learning infrastructure, curricula development and performance-support resources for use

by all federal agencies and their workforces. DAU has become an OPM-approved electronic training provider. FAI has provided avenues for DAU to learn more about and better support federal agencies, while at the same time FAI has enhanced its capacity to leverage DAU learning assets. This has significantly expanded the training resources available for civilian agencies and yielded phenomenal growth in available training for the federal acquisition workforce. For example, in 2004 there were 1,600 federal (non-DoD) graduates from DAU certification training. Since establishment of the partnership in 2005, there has been a 529 percent increase in total annual graduates, an increase from 1,600 in 2004 to 8,500 in 2007. From 2005 through 2007 there have been over 18,000 graduates from DAU certification training (see Figure 3). This translates into 51,000 classroom (course) contact hours, 170,000 web (course) contact hours, and 174,000 continuous learning contact hours.



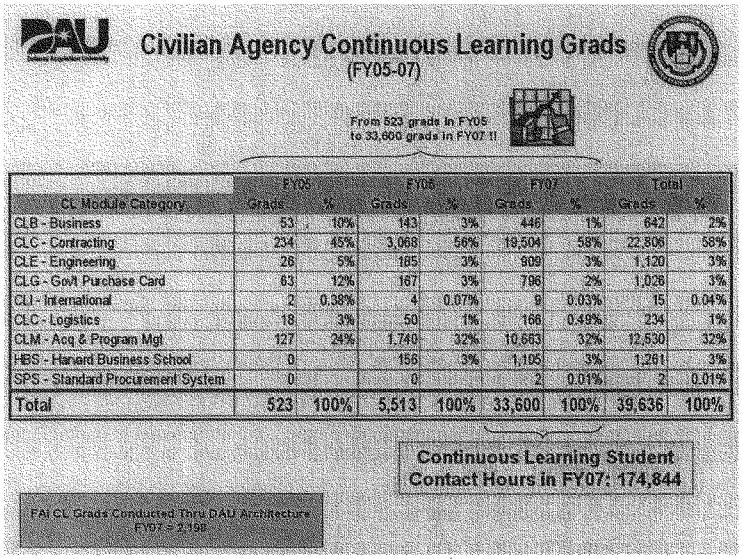
	1999	2000	2001	2002	2003	2004	2005	2006	2007
Classroom	309	394	309	401	425	536	867	1,106	850
Web	20	102	291	511	707	1,070	2,625	5,207	7,652
Total	329	496	600	912	1,132	1,606	3,492	6,313	8,502

Federal graduates (non-DoD) from DAU certification training.
Figure 3. Web and Classroom Courses - Civilian Agency Graduates

The top five civilian agencies using DAU certification training in order are: 1) Department of Homeland Security; 2) Department of Interior; 3) Department of Veteran Affairs; 4) General Services Administration; and 5) Department of Agriculture.

DAU also operates a web-based continuous learning center, which provides open access to over 200 acquisition training modules. These self-paced modules are in a 24/7 environment and are available to all federal agencies. Civilian-agency

graduates from the continuous learning center have increased even more dramatically than graduates from the DAU certification training. Since 2004, there has been an exponential growth in total annual graduates from 400 in 2004 to 33,600 in 2007. From 2005 to 2007 there have been nearly 40,000 graduates from the continuous learning center, as shown in Figure 4 below:



Civilian Agency Continuous Learning Grads
(FY05-07)

From 523 grads in FY05 to 33,600 grads in FY07 !!

CL Module Category	FY05 Grads	FY05 %	FY06 Grads	FY06 %	FY07 Grads	FY07 %	Total Grads	Total %
CLB - Business	53	10%	143	3%	446	1%	642	2%
CLC - Contracting	234	45%	3,068	56%	19,504	58%	22,806	58%
CLE - Engineering	28	5%	185	3%	909	3%	1,120	3%
CLG - Gov't Purchase Card	63	12%	167	3%	796	2%	1,026	3%
CLI - International	2	0.38%	4	0.07%	9	0.03%	15	0.04%
CLL - Logistics	18	3%	50	1%	166	0.49%	234	1%
CLM - Acq & Program Mgt	127	24%	1,740	32%	10,663	32%	12,530	32%
HBS - Harvard Business School	0		156	3%	1,105	3%	1,261	3%
SPS - Standard Procurement System	0		0		2	0.01%	2	0.01%
Total	523	100%	5,513	100%	33,600	100%	39,636	100%

Continuous Learning Student Contact Hours in FY07: 174,844

FAI CL Grads Conducted Thru DAU Architecture FY07 = 2,198

Figure 4. Civilian Agency Continuous Learning Graduates.

DAU shares staff support, infrastructure resources, management system resources, and workforce training to the greatest extent practical, to enhance DAU/FAI partnership outcomes for the benefit of the Defense acquisition workforce (DAW) and the federal-wide acquisition workforce as a whole. DAU also supported a new FAI web portal for the civilian agency acquisition workforce. The portal is hosted on the DAU IT infrastructure. FAI has participated in curriculum development efforts, is leveraging the AT&L Data Mart, and has participated in the DoD acquisition competency update initiative.

The partnership arrangement has allowed FAI to smartly leverage training resources and practices for the civilian agencies and to minimize redundant training investments while maintaining civilian agency identity and also maintaining a market for private sector providers. DAU will continue to seek optimal solutions for its DoD stakeholder and customer base while striving to ensure shareable and reusable benefit for the federal acquisition workforce as a whole.

Mr. Chairman, let me conclude my remarks by stating that the Under Secretary of Defense for Acquisition, Technology and Logistics, the Honorable John J. Young, has put in place some very significant initiatives focused on improving overall management of the Defense acquisition workforce. I am convinced that the results will be both significant and very positive as we fully implement his strategic focus on people. Thank you again for this opportunity to appear before your committee. I look forward to answering any questions.

STATEMENT OF

KAREN A. PICA
DIRECTOR

FEDERAL ACQUISITION INSTITUTE

U.S. GENERAL SERVICES ADMINISTRATION

BEFORE THE

COMMITTEE ON HOMELAND SECURITY
AND GOVERNMENTAL AFFAIRS

SUBCOMMITTEE ON OVERSIGHT OF GOVERNMENT
MANAGEMENT, THE FEDERAL WORKFORCE, AND
THE DISTRICT OF COLUMBIA

UNITED STATES SENATE

FEBRUARY 14, 2008

Good afternoon, Mr. Chairman, Ranking Member Voinovich, and Members of the Subcommittee. My name is Karen Pica and I am the Director of the Federal Acquisition Institute (FAI) at the U.S. General Services Administration (GSA). I am pleased to appear before you today to discuss the activities of the FAI. Created in 1976, FAI has a long and proud history of promoting the development of a strong and agile workforce, the foundation for an effective acquisition system. Under the leadership of the Office of Federal Procurement Policy (OFPP), the Chief Acquisition Officers Council (CAO Council) and a Board of Directors, FAI builds coalitions and partnerships to coalesce the resources agencies need to support a professional acquisition workforce. We leverage expertise in such key organizations as the Office of Personnel Management (OPM) for strategic human capital issues and the Defense Acquisition University (DAU) for training. We lead an interagency working group of Acquisition Career Managers to ensure solutions are shaped by the needs of the Federal community at large.

Our activities to foster a professional acquisition workforce are wide and varied. While comprehensive training is one of our critical functions, we do much more, including the development of competency and skills standards for acquisition personnel and the implementation of career management programs to help agencies recruit and retain top talent.

The Federal acquisition workforce, much like the national and global workforce, is facing challenges associated with demographic shifts, philosophical changes toward work, and expectations of organizations and employees. The disparities among different workforce segments along these lines combined with the want of information available about careers in Federal acquisition bring us together here today.

Statistics regarding the pending retirement of Federal acquisition employees are well known, what is not known is how many of the expected 50 percent actually plan on retiring. OFPP and Federal agencies now have this information based on the recently completed contracting competency survey. For the past few years, the Government has successfully brought in more contracting professionals than we have lost. As a result of the competency survey, we can now analyze in more detail how well we are doing at replacing key skills not just people. Creating more awareness about contracting and acquisition as careers and structured development programs will help attract and retain more talent.

The Acquisition Advisory Panel made some key recommendations regarding acquisition human capital issues such as focus, planning, data management, definition and certification. Legislation recently passed or being considered provides more focus and resources to help the Government meet these challenges.

OFPP leadership has developed a vision and strategic objectives that mature current acquisition workforce efforts and activities aligned with the AAP recommendations.

Today, I would like to highlight a number of our key initiatives and explain how we are making the vision outlined by OFPP Administrator Paul Denett a reality.

1. Workforce Shaping – Developing a structured approach using common processes and tools across the Federal acquisition community focused on developing the characteristics of the workforce which are important for meeting current and future needs. Workforce shaping includes developing and managing competencies, strategic human capital planning, collecting and managing appropriate workforce data, and recognizing skill and experience achievements through a standard certification.

a. Developing and Managing Competencies – The foundation of successful recruiting, training, and performance in acquisition depends on identifying the right skills needed for the job, providing training and development opportunities for those skills and hiring and retaining professionals with those skills. FAI has partnered with the Government's leading expert in competency management, the Office of Personnel Management, to develop, update, and assess the competencies of acquisition professionals. Since FAI developed the first set of contracting competencies through an interagency working group in 1985, we have aligned competency management with the recommendations and best practices of the OPM. Recently, FAI and DAU have partnered in developing, managing, and updating competencies for acquisition professionals, with each organization alternating as the lead entity for interagency re-validation of competencies so there is one set of baseline competencies across the Government that can be specialized by agencies as needed.

Currently, standard competencies exist for acquisition workforce professionals in multiple areas, including contracting, acquisition program and project management, contracting officer technical representatives, and architect and engineering professionals. In line with OPM's best practices, FAI will be revalidating the Contracting Officer's Technical Representatives (COTR) competencies in 2008. The contracting competencies were revalidated in 2003 through an FAI- led effort and again in 2007 through a DAU-led effort.

In Spring 2007, OFPP launched a contracting workforce competency survey that achieved a 50 percent response rate from the target audience. To support this initiative, FAI collaborated with the CIO IT workforce committee, adapting their existing IT survey tool to meet the needs of the contracting community. The IT workforce tool had been successfully administered to over 80,000 IT professionals Government-wide on three separate occasions. Starting with this existing tool, we have saved resources, avoided redundancy, and expedited the process.

FAI collaborated with OPM and private sector partners in modifying the tool and developed a communication strategy for reaching acquisition professionals that reduced work requirements for agency management. Fifty agencies ended up using the tool for their acquisition workforces. As a result of this collaboration, OFPP now has a tool that can be easily modified for use in other acquisition career fields. FAI is in the process of modifying the tool to allow agencies to add agency or community specific competencies and also a supervisor endorsement if they so choose. This will provide agencies a more robust competency management capability. More information about this is available at www.fai.gov.

Over one million data points were collected via the contracting workforce competency survey. As agencies analyze this data, FAI continues to provide support and forums for sharing information that reduce redundant efforts and share best practices among agencies. The survey also provides details on areas for improvement Government-wide, and FAI is currently analyzing existing core training for contracting professionals against the required competencies to ensure coverage and develop solutions for identified gaps.

b. Strategic Human Capital Planning – Strategic planning is essential for building and retaining a workforce capable of supporting an agency's mission. Successful planning is needed to ensure adequate personnel resources are in place, training is available, and organizational structures match agency needs. FAI supports agency human capital planning in a variety of ways including development of templates that agencies can use, leading workforce forums to share best practices, supporting OFPP in representing the needs of the acquisition workforce community with OPM and key partners, and answering the call when agencies need help, advice, or recommendations in particular aspects of acquisition workforce planning.

Drawing from OPM's best practices, and input from multiple agencies, in spring 2007 FAI provided the agencies with a template for an acquisition workforce strategic human capital plan. The template contains information for designing a broadly defined plan as well as a very detailed, operational plan depending on the agency's needs and resources. The appendices for the document were developed in support of the OPM skill gap reporting requirements.

The contracting workforce competency survey and the annual demographic report work in concert to provide agencies multiple data points that can be used in building strategic plans for the acquisition workforce. These data points will not provide all the information an agency needs, but they are a good start and can be matured as we receive more information from agencies on what they need. For example, the demographic report provides agencies with information on the workforce eligible for retirement, and the contracting results provide information on when that workforce actually plans on taking retirement and the skills resident in that portion of the workforce. Agencies can now target specific skills for expediting knowledge capture or for recruiting and career

development purposes. FAI is also using this information to support the OFPP initiatives on recruiting and retention Government-wide and for identifying solutions to capture essential knowledge or develop mentoring programs across agencies.

c. Workforce Data Management – Another key to successful planning efforts is accurate data. OFPP Policy Letter 97-01 required agencies to collect and maintain specific data elements on acquisition workforce professionals. In support of the requirement and to avoid redundancy across agencies, FAI developed the Acquisition Career Management Information System (ACMIS) in 1999. FAI has adapted the system to continue to meet the needs of the acquisition workforce as OFPP has matured the vision and requirements for professionals. Currently ACMIS contains information on over 25,000 acquisition professionals across the civilian agencies including 10,000 contract specialists, 7,000 contracting officers (not all GS-1102), 900 program managers, and 11,000 contracting officer technical representatives.

Information in ACMIS is currently used to build future FAI training plans, report education waivers for GS-1102s to OFPP and track the number of certified professionals in accordance with OFPP certification policies. Currently for the contract specialists (GS-1102), 50 percent of agency users are current with three agencies in the process of migrating existing data into ACMIS. When these new migrations are complete by summer 2008, the rate of verified data will reach at least 60 percent. FAI is working with agencies to identify challenges in verifying data and has corrected ACMIS deficiencies to facilitate data verification. We will continue to work with agencies so we can achieve a 95 percent verification rate in 2008.

To reduce redundancy and work load for the acquisition career managers and acquisition professionals, FAI is partnering with OPM to integrate the ACMIS data into the OPM Enterprises Human Resource Integration effort. Under this arrangement, OFPP will retain the flexibility needed to include new data elements and agencies will have the ability to obtain all workforce information, including information specific to each agency's acquisition workforce, from one source. FAI and OPM are working towards a fall 2009 deadline for this effort.

d. Certification Programs – Structured programs to recognize essential skills and knowledge obtained through training, work experience and education are necessary for a Government-wide acquisition system and beneficial to both Government agencies and professionals, as these programs eliminate the need for duplicate training by recognizing a unique standard. Since 2005, OFPP has identified certification requirements for three sets of acquisition professionals, and FAI has supported implementation through developing competency standards, deploying training, supplying standard templates, and creating a mechanism (ACMIS) to capture information.

OFPP aligned the Federal Acquisition Certification in Contracting (FAC-C) of January 2006 with the Defense Acquisition Workforce Improvement Act standards for contracting professionals. FAI has supported implementation through design and dissemination of templates and application materials agencies can use to implement the program for all new warrant holders after January 2007. In January 2008, ACMIS data reports 560 FAC-C holders.

To help agencies increase the number of certified contracting professionals, in addition to providing training classes, FAI will implement a data analysis and consulting process to assist agencies in identifying and certifying eligible professionals in 2008. FAI has also dedicated resources to an automated certification tool that will allow electronic processing of applications once applicable training and experience criteria have been met. This tool will reduce agency workload by linking available electronic information to facilitate the certification process. This tool is modeled after a similar one developed and used by the United States Navy. FAI will be enhancing the tool in the future to align the automated certification process with information obtained from future competency efforts so supervisors can consider application of knowledge gained through training when approving certification.

In developing Federal Acquisition Certification programs for program managers and COTRs, OFPP directed FAI to review existing standards and provide recommendations. FAI led an interagency working group with professionals from 15 agencies, including DoD, through a two-year effort to determine the appropriate program elements, competencies, training, and experience standards that would facilitate a baseline standard for program and project managers across the Government. The group achieved consensus with all participating agencies concurring on the final report and recommendations as forwarded to OFPP.

In April 2007 Mr. Paul Denett, Administrator for the Office of Federal Procurement Policy signed out the Federal Acquisition Certification for Program and Project Managers. As of January 2008, 900 program managers have been identified in ACMIS with 35 currently certified. OFPP also introduced the Federal Acquisition Certification for COTRs in November 2007. Currently there are over 11,000 COTRs identified through ACMIS and as agencies implement the newest certification, ACMIS is ready to capture these date for use in workforce analysis as well.

2. Talent Supply – To retain essential knowledge and skills necessary for successful acquisition management, an organized process is needed for attracting new employees at all levels through recruiting and retention strategies, education and diversity alliances, and incentives. FAI is partnering with OPM, Federal agencies, and key non-Government organizations such as the Partnership for Public Service to gather existing resources under one umbrella and create a facilitated environment for increasing awareness and interest in Government contracting as a career of choice and reduce redundant and competing efforts across agencies. This environment respects the unique nature and needs of individual agencies while building a collaborative space that can serve as a unique entry point for those seeking Government careers in acquisition.

OFPP and OPM launched the first phase of the Federal Acquisition Intern Coalition on January 30, 2008. Through an interagency working group that included all agencies with existing intern programs as well as agencies desiring programs, FAI collected information and suggestions on what would constitute an ideal program for acquisition workforce recruitment and retention. FAI presented the recommendations to OFPP and the CAO Council and received funding to initiate the activities in phases.

The first phase includes an Internet presence (www.fai.gov/careers) that serves as the focal point for job seekers, explains what a career in contracting is, what to expect from Federal employment, and what jobs are currently open. The information in this effort was gathered through best practices at OPM, the Partnership for Public Service and focus groups of age appropriate individuals. This one-stop-contracting career shop includes information and points of contact for all agencies having contracting intern programs, a questionnaire to see if a career in contracting is of interest, information on salary and benefits and written testimonials and video clips from current contracting professionals sharing information on how they support their agencies.

The information provided to agencies includes a listing of potential recruiting events, outreach points of contact for understanding hiring authorities, special program for veterans, and information on diversity organizations. FAI maintains an electronic brochure and fact sheet agencies can tailor with their agency logo or agency specific information. FAI will be developing additional materials and talking points agencies or individuals can use when talking about careers in contracting. One of the goals is to make contracting professionals comfortable sharing their story so each professional can become a recruiter.

The next phases of the program include a shopping list for rotation assignments, workshops on relevant acquisition and career development topics, and certification training through FAI classroom courses.

3. Career Management - To facilitate career planning and retention in the Federal acquisition environment, professionals need a structure providing opportunities for interaction with other professionals and tools which allow management of one's career.

FAI supports career management by gathering information from the workforce through interagency working groups, analysis of customer service calls for assistance, discussions on communities or practices, and feedback at FAI events.

Every two months FAI hosts an interagency meeting where acquisition career managers gather to express concerns about what isn't working, what they'd like to see happen, or what is working well. FAI collects this information, provides recommendations to OFPP and the CAO Council and takes action to make improvements. FAI also conducts outreach to education partners and non-Government organizations to leverage existing education, training, and certification programs for the benefit of the Federal acquisition professionals. For example, the OFPP contracting certification is aligned with elements

of the National Contract Management Association certification program and the program management certification is aligned with elements of the Project Management Institute certification.

FAI is leveraging the career path research done by OPM to update current information available to acquisition professionals on career paths and develop new material as needed based on needs existing across multiple generations.

4. Corporate University – A Government-wide approach to integrate training and development, capability tracking and mapping, experiential assignments and knowledge transfer is an optimal solution to make resources and information available to support OFPP initiatives in workforce shaping, talent supply, and career management. FAI facilitates relationships and partnerships across existing organizations, providing training to acquisition professionals on a variety of topics, from building 508 compliant requirements to green procurements. The FAI outreach and partnering efforts include experts such as GSA's Center for Acquisition Excellence and 508 Universe, the Defense Acquisition University, and the Treasury Acquisition Institute. As well as the green procurement resources of the Environmental Protection Agency, the Department of Energy, and the Department of Agriculture..

Through the Acquisition Workforce Training Fund provided for under the Services Acquisition Reform Act of 2003 and reauthorized in the National Defense Authorization Act of 2008, FAI provides training opportunities to Federal acquisition professionals through a web of partnerships that include private sector vendors.

FAI uses workforce data, competency analysis information, feedback from agencies, and reviews of audits and reports to identify potential needs for training. Once the need is identified, FAI reviews existing resources available across the Federal spectrum and then determines if partnering on an existing resource is possible or if new opportunities need to be developed. For example, the recent contracting competency survey identified performance-based acquisition, negotiation, and project management as areas in which the workforce both needed and desired training. FAI is providing opportunity for agencies to meet this need through classroom training, workshops and seminars delivered at upcoming conferences, and online material.

In 2007, FAI managed 40,000 training completions through classroom training, online training, conference sessions, and seminars. FAI continues a strong partnership with the Small Business Administration by being the lead organization providing small business training to the Federal Government requirements and contracting community. Currently over 75 percent of those taking FAI small business training are in the DoD, which demonstrates the benefits of the current partnership between FAI and DAU. FAI currently has seven training modules available in small business and will be adding two more in 2008. The new modules are focused on the requirements community and will provide information and tools for designing small business-friendly procurements.

FAI is supporting the CAO Council emergency contracting cadre through a dedicated training class designed to meet the needs of emergency response and recovery professionals under the CAO Council umbrella. This class is a capstone course and supplements training through the Department of Homeland Security's Federal Emergency Management Agency. The pilot course was based on an existing DAU course, and the new training will be available next month, March 2008.

Conclusion:

FAI continuously analyzes workforce data and reports, agency feedback, and information from our customer to remain current on challenges in the acquisition workforce and how we can provide better support and recommendations to senior leadership. FAI has additional work to do in the areas of recruitment and retention, capturing and sharing existing knowledge in ways that more members of the workforce will be able to access, and supporting agencies' human capital planning.

Under the leadership of OFPP, the Chief Acquisition Officer Council, and GSA, FAI receives input and feedback from all corners of the Federal Government's acquisition community as well as key private and public sector partners. I believe the challenges facing the acquisition workforce are not unique, but mirror larger national and global workforce challenges. The dedicated focus that OFPP, GSA, and the CAO Council are directing to the acquisition workforce and the coalition of Government and private sector organizations with which FAI has built partnerships will benefit the acquisition community. I am optimistic the leadership direction provided to FAI and the partnerships built in support of our mission will provide the recruiting edge we need as a community.

BACKGROUND
BUILDING AND STRENGTHENING THE FEDERAL ACQUISITION WORKFORCE
FEBRUARY 14, 2008

Problems with federal procurement and contracting have become more prominent over the past several years. Both in the Department of Defense and in civilian agencies, major acquisitions have been under heightened scrutiny after repeated findings of waste, fraud, and abuse. Just a few of these include the Secure Border Initiative Project 28 virtual fence, which was delivered far off schedule; the Coast Guard's Deepwater program to replace their cutters; and the Department of State's troubled oversight of its private security contractor Blackwater.

While the framework that the government uses for acquisition management is a large part of the contracting problem, behind it all is the federal workforce that plans, executes, and oversees government contracts.

THE FEDERAL ACQUISITION WORKFORCE

The acquisition workforce is made of up thousands of individuals at the Department of Defense (DoD), and all other agencies. DoD is unique in that the term "acquisition workforce" is defined in law. At DoD, the "acquisition workforce" includes the following career fields[1]:

- Auditing
- Business, Cost Estimating and Financial Management
- Contracting (GS-1102)
- Facilities Engineering
- Industrial/Contract Property Management
- Information Technology
- Life Cycle Logistics
- Production, Quality, and Manufacturing
- Program Management
- Purchasing (GS-1105)
- Systems Planning, Research, Development and Engineering
- Test and Evaluation

The Federal Acquisition Institute (FAI), which does a report on the government-wide acquisition workforce every year reports only on the following career fields[2]:

- General Business and Industry (GS-1101)
- Contracting (GS-1102)
- Industrial Property Management (GS-1103)
- Property Disposal (GS-1104)
- Purchasing (GS-1105)

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[1] Defense Acquisition Workforce Improvement Act, P.L. 101-510 Sec. 1201.
[2] Federal Acquisition Institute, *Annual Report on the Federal Acquisition Workforce: Fiscal Year 2006,* May 2007.

- Procurement Clerical and Assistance (GS-1106)
- Industrial Specialist (GS-1150)

One of the largest portions of the workforce are contracting specialists (series 1102). To become an 1102 at the Department of Defense, a worker needs to hold at least a bachelors degree in any field and have at least 24 semester hours of business related courses.[3] All non-DoD employees can become an 1102 by satisfying either the bachelor's degree or the 24 hours of business classes.[4]

Because of the important nature of the acquisition workforce and the sometimes inability to recruit workers adequately there are several waivers for the above requirements, in addition to various direct hire authorities throughout the federal government.

GOVERNMENT-WIDE ACQUISITION WORKFORCE CHALLENGES

Many experts agree that overall the acquisition workforce as it stands is inadequate to meet the government's needs. Comptroller General David Walker observed[5] in a hearing on July 17, 2007, that the government faces serious acquisition workforce challenges, key program staff rotate too frequently, inadequate oversight has resulted in little or no accountability for recurring and systemic problems, and a lack of high-level attention has reduced the chances of success in acquisition.

Like much of the federal government workforce, the acquisition workforce faces tough challenges in the years to come. Over half of the acquisition workforce, as counted by FAI, will be eligible to retire in the next 10 years[6].

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[3] 10 USC § 1724.

[4] Office of Management and Budget, Policy Letter 05-01, *Developing and Managing the Acquisition Workforce*, April 15, 2005.

[5] GAO Testimony, *Federal Acquisitions and Contracting: Systemic Challenges Need Attention*. Statement of David M. Walker, Comptroller General, Government Accountability Office, before the Committee on Homeland Security and Governmental Affairs, U.S. Senate, July 17, 2007.

[6] Federal Acquisition Institute, *Annual Report on the Federal Acquisition Workforce: Fiscal Year 2006*, May 2007.

TABLE 6-2 ACQUISITION WORKFORCE AT A GLANCE FY 2006

	General Business and Industry (GS-1101)	Contracting (GS-1102)	Industrial Property Manage-ment (GS-1103)	Property Disposal (GS-1104)	Purchasing (GS-1105)	Procurement Clerical and Assistance (GS-1106)	Industrial Specialist (GS-1150)	Total
Population	**24,533**	**27,944**	**508**	**671**	**3,038**	**2,073**	**1,230**	**59,997**
- DOD	7,761	18,928	440	481	961	1,540	1,106	31,217
- Civilian Agencies	16,772	9,016	68	190	2,077	533	124	28,780
Average Grade*	11.01	11.71	11.52	10.86	7.10	6.17	11.54	NA
Average Age	48.85	46.69	52.34	51.24	49.25	49.58	52.10	48.02
Percent Female	56%	60%	51%	44%	74%	84%	28%	59%
Percent Eligible To Retire FY 2006**	14%	12%	29%	28%	16%	22%	28%	14%
Percent Eligible To Retire FY 2016**	54%	50%	81%	76%	59%	63%	72%	53%
Percent College Graduates	42%	71%	33%	18%	12%	8%	32%	52%
Members, Senior Executive Service	103	81	0	0	0	0	0	184

*Calculation based on only those in a specific grade level, excludes those in pay bands or special pay plans.
**Based on CSRS retirement rules, includes both FERS and CSRS employees.

Federal Acquisition Institute, *Annual Report on the Federal Acquisition Workforce, Fiscal Year 2006*
Only includes the workforce as calculated by FAI as specified above.

In addition to the size of the workforce, there seems to be challenges in training the workforce. In October 2007 the Federal Acquisition Institute released a report on contracting workforce competencies based on a survey earlier in the year.[7] The survey measured dozens of essential contracting competencies from both the view of the workforce itself, as well as their management. In several critical areas, it is clear that there is a skills gap.

For example, in the area of Competitive Sourcing skills, average proficiency was only 2.09 out of 5 for 1102 specialists government-wide. In the area of performance based acquisitions, which many agree takes risk out of many contracts though requires more skills, 1102s scored only 2.89 out of 5.

DEPARTMENT OF DEFENSE'S GANSLER COMMISSION ON ARMY CONTRACTING

In October 2007, the Gansler Commission on Army Contracting[8] found that systemic failures in the Army acquisition system left the Army vulnerable to fraud, waste, and abuse. Many of the problems identified went back to the acquisition workforce.

[7] Federal Acquisition Institute, *2007 Contracting Workforce Competencies Survey: Survey Results Report*, October 2007.
[8] Commission on Army Acquisition and Program Management in Expeditionary Operations, *Urgent Reform Required: Army Expeditionary Contracting*, October 31, 2007.

To address failures identified in Army contracting, the Commission recommended an overhaul of the Army acquisition system, including increased personnel, additional General Officers, new career tracks, new organizations, new training and tools, and new incentives for civilians to deploy. The Commission's key recommendations include:

- Increasing the size of acquisition workforce;
- Increasing the military component of acquisition workforce;
- Creating additional General Officers for contracting for the Army;
- Establishing new career paths, including a centralized Army Contracting Corps, and new opportunities for training and internships in contracting;
- Establishing a higher level head of contracting and creating a new Army Contracting Command, in addition to other structural changes to centralize oversight and control of contracting in the Army;
- Establishing new training tools and ensuring contracting officer's representatives are adequately trained;
- Creating new incentives for civilians to deploy to hostile zones;
- Eliminating the cap on civilian pay in contingency operations;
- Providing civil servants the same tax free status that deployed military and contractor employees already qualify for;
- Ensuring the Armed Forces Civilian Service Award is made available to civilians deploying to Iraq and Afghanistan; and
- Providing long-term medical care for theater injury for government civilians.

ACQUISITION WORKFORCE REFORM

In 2003 Congress passed the Services Acquisition Reform Act of 2003. For the first time the Act required that every non-DoD agency with a Chief Financial Officer be required to have a Chief Acquisition Officer (CAO) who has acquisition management as their primary duty to oversee and manage agency acquisitions. CAO's by law must be non-career positions.

Besides its many other provisions focused on business practices of acquisitions, the Act created the Acquisition Advisory Panel to study the problems associated with acquisitions, and report back to Congress. This report was finalized in January 2007[9]. The report made several recommendations that led to the introduction and passage by the Senate of the Accountability in Government Contracting Act of 2007 (S.680).

Some key elements of S.680's workforce provisions include:

- Establishment of Associate Administrator for Workforce Programs at FAI
- Establishment of an acquisition intern program
- Creation of a Contingency Contracting Corps
- Requirement that CAO's have extensive management experience

[9] Acquisition Advisory Panel, *Report to the Office of Federal Procurement Policy and the United States Congress*, January 2007.

DEFENSE ACQUISITION UNIVERSITY

The Defense Acquisition University (DAU) is a United States military training establishment which provides comprehensive acquisition training for Department of Defense military and civilian personnel. Working through agencies and the Federal Acquisition Institute, some employees from civilian agencies also attend.

DAU headquarters is at Fort Belvoir, Virginia. It has five regional campuses located throughout the United States: Fort Belvoir, Virginia; Huntsville, Alabama; San Diego, California; California, Maryland; and Kettering, Ohio. DAU serves the members of the DoD Acquisition, Technology and Logistics workforce and their DoD industry counterparts.

FEDERAL ACQUISITION INSTITUTE

The Federal Acquisition Institute was established by the Office of Federal Procurement Policy Act[10] in 1976. Its mission is to promote the development of a federal acquisition workforce for civilian agencies. FAI promotes and facilitates development programs for acquisition professionals, but it does not provide direct training for employees.

In 2005 FAI relocated to the campus of the Defense Acquisition University. The two work closely together in providing training resources for the federal government.

LEGISLATION

Defense Acquisition Workforce Improvement Act, Pub. L. No. 101-510.

Services Acquisition Reform Act of 2003, Pub. L. No. 108-136.

Accountability in Government Contracting Act of 2007, S. 680.

ADDITIONAL INFORMATION/RESOURCES:

Federal Acquisition Institute, *2007 Contracting Workforce Competencies Survey: Survey Results Report*, October 2007.

Federal Acquisition Institute, *Annual Report on the Federal Acquisition Workforce: Fiscal Year* 2006, May 2007.

Commission on Army Acquisition and Program Management in Expeditionary Operations, *Urgent Reform Required: Army Expeditionary Contracting*, October 31, 2007.

GAO Testimony, Federal Acquisitions And Contracting: Systemic Challenges Need Attention, Statement of David M. Walker, Comptroller General, Government Accountability Office before the Committee on Homeland Security and Governmental Affairs, U.S. Senate, July 17, 2007.

[10] 41 U.S.C. 401, et seq.

Acquisition Advisory Panel, *Report to the Office of Federal Procurement Policy and the United States Congress*, January 2007. [http://www.acquisition.gov/comp/aap/index.html]

United States Office of Personnel Management, *Qualification Standards for General Schedule Positions, GS-1102: Contractor Specialist*. [http://www.opm.gov/qualifications/sec-iv/b/gs1100/1102.htm]

Post-Hearing Questions for the Record
Submitted to the Honorable Paul Denett, Administrator, Office of Federal Procurement Policy, Office of Management and Budget
From Senator George V. Voinovich

Building and Strengthening the Federal Acquisition Workforce
February 14, 2008

1. **I first would like to congratulate you for conducting the competency survey for the contracting workforce, which, as you noted, will provide necessary data to be used for effective strategic human capital planning. However, I can't help but wonder, why had nothing like this been done before? Why had individual agency Chief Human Capital Officers not conducted or collected such important data in the course of agency human capital and subsequent succession planning?**

We understand that individual agencies have used various competency assessment tools over the years to better understand their workforces. However, we were interested in understanding all the civilian acquisition workforce as a whole, so we conducted a comprehensive government-wide assessment for the civilian agencies. Because OFPP and FAI centrally-managed the effort, we were able to get the same kind of data across the agencies and were in a better position to prioritize training and development needs across these agencies.

2. **The President last week presented Congress with the fiscal year 2009 budget. I noticed in it that the Department of Homeland Security has requested $3 million to fund an acquisition intern program. I believe such transparency will help the Department secure the necessary funding to strengthen its acquisition workforce. What other examples do you have in the government in fiscal year 2009 that a department has been transparent in requesting additional funds to support their acquisition workforce?**

We agree that transparency helps us conduct better, more complete workforce management. To that end, OFPP works with the resource management offices within OMB to help prioritize funding requests when appropriate.

Funding for training and development of the acquisition workforce comes from a variety of sources and many agencies may not have a line item directly associated with this due to the small size of the amount or because the funding is not collected and distributed centrally. OFPP has much improved transparency about agency workforce matters through FAI's management of the Interagency Acquisition Career Management Council. This Council, which is comprised of all the acquisition career managers from all the executive agencies provides a forum for OFPP and FAI to better understand what workforce investments are planned, how they will be implemented, and how we can leverage these across other agencies.

3. **Are OFPP and FAI working to develop a common definition for the acquisition workforce across the government?**

The Chief Acquisition Officer is responsible for identifying the acquisition workforce in accordance with OFPP policy letter 05-01 April 15, 2005 and we at OFPP provided general guidelines to give the CAOs maximum flexibility in determining who should fall under the OFPP policies and certifications. At a minimum the acquisition workforce of an agency includes:

- All positions in the general schedule contracting series (GS-1102) and non-DOD uniformed personnel in comparable positions.
- All Contracting Officers (CO) regardless of general schedule series with authority to obligate funds above the micropurchase threshold.
- All positions in the general schedule purchasing series (GS-1105).
- Program and project managers, as identified by the agency's Chief Acquisition Officer (CAO), or equivalent.
- All Contracting Officer's Representatives (CORs) and Contracting Officer's Technical Representatives (COTRs), or equivalent positions.
- Any significant acquisition-related positions identified by the CAO, or equivalent.

4. Do you believe the current job classifications and job series provided by the Office of Personnel Management adequately capture the skills and job functions of the numerous segments of the acquisition workforce?

The OPM job classifications and job series for key members of the acquisition workforce, such as contracting and procurement professionals and program and project managers, adequately capture the skills and job functions for the workforce. The classifications provide the general standards for these key positions while allowing flexibilities for agencies to include more specific information in position descriptions to meet agency needs as determined by the agency Chief Acquisition Officer. OFPP is exploring with OPM opportunities to better identify the acquisition workforce in the personnel system. As an administrative measure all contract specialists, contracting officer's representatives, and program/project managers are required to input their information into the acquisition career management information system, run by FAI, which allows FAI and OFPP to gather critical information on the development of our workforce.

5. The shortages and need for qualified acquisition professionals is widespread throughout the government. We unfortunately have seen in the past situations where the federal government competes against itself for the same talent. What efforts are underway to protect against the government becoming its own competition and further weakening the acquisition workforce?

The Federal Acquisition Intern Coalition is a government-wide effort to recruit, hire, train, and retain individuals for the acquisition workforce. The purpose of this coalition is to introduce new professionals into the workforce so that we can increase the pool of candidates from which agencies hire. The initial focus in on entry level positions and later this year we will be adding a focus for mid-level professionals. Part of this effort is to identify sources of talent across the country and increase awareness within those sources of contracting careers in the government.

6. **I believe your efforts to strengthen the federal acquisition workforce are needed and long overdue. An estimated $400 billion in spending is an astronomical figure. In this process, however, are there any efforts underway to determine if there is a way for the government to spend less?**

The mission of the Office of Management and Budget is to understand what agencies spend and what results those investments yield. OMB has many efforts underway to measure and manage each agency's budget in an effective and efficient manner. For example, one of the tools the OMB relies on is the program assessment rating tool (PART) to make sure that investments made are producing intended results.

OFPP has a government-wide Strategic Sourcing Initiative which is designed to leverage the government's significant buying power and help the government spend less. Currently, we have several efforts underway that have already resulted in significant cost savings for the government. For example, the General Services Administration strategic sourcing solutions for domestic delivery services, saved the government approximately $15 million in FY07 over the original GSA schedule prices for express and ground domestic delivery services.

7. **The General Services Administration Modernization Act of 2006 contains separate statutory authority outside the OPM process to waive the dual compensation offset for a re-employed federal annuitant. I am concerned about the various statutory exemptions to the OPM approval process for such a waiver, which ensure a degree of oversight and accountability in using this important workforce tool. Do you believe if the part-time authority proposed in S. 2003 would provide agencies sufficient authority to recruit experienced retirees back to federal service to assist the acquisition process?**

We think the GSA Modernization Act's provision for re-employed annuitants is a critical tool for agencies to use for hiring senior level professionals that have valuable expertise and knowledge. This legislation allows agencies to hire senior, experienced leaders to act as consultants, mentors, and otherwise contribute to the agency part-time or full-time depending on the need. We do not believe agencies are using this authority as a substitute for succession planning; rather, it is one of many tools to help with such planning at the agency level and we do not believe additional legislation is necessary.

Post-Hearing Questions for the Record
Submitted to Paul Denett
From Senator Thomas R. Carper

"Building and Strengthening the Federal Acquisition Workforce"

February 14, 2008

1. **Effective government oversight of contractors is crucial to the success of any investment and project. I learned from Karen Evans, Administrator of E-Government at OMB, that government agencies are having a difficult time**

competing with the private sector to hire and retain competent individuals to oversee technology investments. Some project managers are identified as unqualified to be managing many of these investments, and yet agencies feel they have no choice but to do "on the job" training. How can Congress be confident that agencies are using proper oversight of billions of taxpayer dollars? And are there "plans of action" or "milestones" that OMB and agencies are using to fill the necessary gaps in our acquisition workforce? Does OMB have an expected date when our acquisition and procurement workforce will be effectively staffed and trained to oversee contractors?

OMB, through its various management tools, provides substantial oversight of how taxpayer dollars are spent. For example, the OMB 300s submitted to OMB during the budget process provide a snapshot of the major investments and how they are spent and managed. OFPP has also developed training and certification requirements for contract specialists, contracting officers technical representatives, and program/project managers. These certification programs provide more structure to help agencies train their acquisition workforce than they've ever had before. Essential skills included as part of the certification program are identifying agency requirements and processes, acquisition planning and management, and understanding essential project management processes and practices. OFPP's FAC-P/PM requires an individual to be certified to manage a major acquisition and this certification includes both training and experience requirements. The FAC-P/PM was coordinated with Karen Evans, Administrator of E-Government and Information Technology at OMB.

OFPP has partnered with OPM to focus on closing the skills gaps. As part of OPM's human capital responsibilities for the President's Management Agenda and their five-year strategic plan, OPM asked agencies to analyze segments of their workforce, identify competency gaps, and submit Gap Analysis Reports and Improvement Plans for various mission critical occupations. This year OPM asked agencies to submit these plans for the acquisition workforce.

OFPP considers the acquisition function critical to an agency's ability to meet its mission needs. The acquisition community recently undertook the 2007 Federal Contracting Workforce Competencies Survey at the request of the Office of Federal Procurement Policy. On October 17, 2007, I sent a memorandum regarding the survey results and identified key competency gaps in such areas as project management, requirements definition, performance-based acquisition, and negotiation. In that memorandum, I also referenced the requirement for each agency to submit the Gap Analysis Report and Improvement Plan as part of its workforce development and succession planning efforts, which OMB and OPM are currently reviewing.

The training and development of the acquisition workforce is an ongoing, critical effort. Each year we must train and develop new hires who are replacing retired employees and those that leave mid-career. Additionally, our certification programs are based on ensuring that continuing education is a priority at all levels of each of our certification programs. For example, the certification for contracting officers requires that 80 continuous learning points (roughly equivalent to hours) is required to retain the certification. Acquisition professionals must ensure that they stay current on laws, policies, tools, and other requirements so training and development is an ongoing activity for employees, organizations, and for FAI, DAU, and OFPP.

2. **Career development is crucial for maintaining and improving the skills necessary to properly oversee the procurement of goods and services in the federal government. I understand that the Federal Acquisition Institute coordinates with other organizations such as the Office of Federal Procurement Policy in OMB to develop and implement strategies to meet the needs of the current and future acquisition workforce. My question for you is, what successes have we seen since 2001 in closing the recognized workforce gaps and why are there still persistent and pervasive problems today, in 2008? Also, what is being done TODAY to compensate the loss of acquisition officers due to the retirement of our baby boom generation?**

In January, we launched the Federal Acquisition Intern Coalition (FAIC). The FAIC will focus on targeting new recruits into the workforce, increasing retention, developing career paths, establishing a mentoring program, promoting rotational assignments and workshops, and developing other community-building activities. The tagline for this effort is "Be America's Buyer." OFPP is partnering with FAI, DAU, and OPM to get the word out about contracting as a profession (visit www.fai.gov/careers) and to leverage existing intern programs and other developmental programs that agencies have.

To overcome skills gaps and facilitate the success of our acquisition workforce, OFPP developed three certification programs for contract specialists, contracting officers technical representatives, and program/project managers (FAC-C, FAC-COTR, FAC-P/PM). The purpose of these programs is to standardize training and development across civilian agencies

To accommodate the loss of acquisition professionals due to retirement and attrition, agencies are also taking advantage of various hiring authorities such as direct hire authority, student career employment program, federal career intern program, and reemployed annuitants in order to address the impending retirement wave. OFPP, through the FAIC, has conducted workshops to guide agency officials on the appropriate use of these authorities and we expect to see agencies implementing more of these authorities. In fact, from 2001 through 2007, civilian and defense agencies' contracting workforce has grown from 26,608 to a total of 28,434.

CHARRTS No.: SG-03-001
Senate Committee on Governmental Affairs
Hearing Date: February 14, 2008
Subject: Building and Strengthening the Federal Acquisition Workforce
Witness: Anderson
Senator: Senator Voinovich
Question: #1

Question. The Chief Acquisition Officers Council has assumed the lead in developing the acquisition workforce. What level of partnership have you had with the Chief Human Capital Officers Council within the Office of Personnel Management?

Answer. We are working in a collaborative manner with the Chief Acquisition Officers Council (CAOC), Office of Personnel Management, the Office of Federal Procurement Policy, and the Federal Acquisition Institute (FAI). Partnering between the Defense Acquisition University and the FAI has resulted in significant improvements in available training resources for the civilian agencies. However, because of fundamental differences in size, mix, workforce structure and mission, we believe it is both appropriate and necessary that the Department of Defense (DoD) continue to develop and manage its acquisition workforce. The primary acquisition workforce focus within the civilian agencies has been contracting. That is now expanding to include contracting officer representatives and program management. Within DoD, the acquisition workforce has focused on twelve functional disciplines that include program management, engineering, cost estimating and financial management, test and evaluation, contracting, and quality. In addition, DoD defines the acquisition workforce according to the job responsibilities of a position, not just the occupational series. Since the early 1990's, DoD has had a certification program in place for its functional communities. The civilian agencies recently started a DoD-like certification program, which is beneficial, however, their primary focus is on contracting and program management. Finally, we note that 70 percent of the federal-wide contracting workforce 1102s are in DoD. There are distinct differences that mandate that DoD continue to develop and manage its acquisition workforce, and we will continue to build on the partnership initiatives that are in place.

CHARRTS No.: SG-03-002
Senate Committee on Governmental Affairs
Hearing Date: February 14, 2008
Subject: Building and Strengthening the Federal Acquisition Workforce
Witness: Anderson
Senator: Senator Voinovich
Question: #2

Question. Do you believe the current job classifications and job series provided by the Office of Personnel Management adequately capture the skills and job functions of the numerous segments of the acquisition workforce?

Answer. No. Today, it is problematic to do strategic workforce planning and analysis for the Department of Defense acquisition workforce using only the current occupational series. We are working with the Office of the Under Secretary of Defense for Personnel and Readiness, to address mission critical acquisition occupations and the need for unique occupational series/identifiers. We have initiated a dialogue with the human resources community to establish unique workforce identifiers for mission critical acquisition occupations within the personnel system. Expanding the current occupational series to provide unique workforce identifiers for mission critical occupations such as program management, quality, business/cost estimating, and test and evaluation, will provide needed improvements. This will significantly improve the quality of acquisition workforce information available for workforce planning, management, analysis and force shaping.

CHARRTS No.: SG-03-003
Senate Committee on Governmental Affairs
Hearing Date: February 14, 2008
Subject: Building and Strengthening the Federal Acquisition Workforce
Witness: Anderson
Senator: Senator Voinovich
Question: #3

Question. Your testimony notes that DoD is meeting has been meeting its hiring goals; from 2002-2006 DoD hired 18,000 new employees into the acquisition workforce. Are these individuals hired to replace staff or have they been hired to fill identified positions where ther agency has identified skills gaps?

Answer. We believe that our hiring addresses both, but current recruiting and hiring successes have been more tactically focused on filling vacated positions. It should be noted that the Under Secretary of Defense for Acquisition, Technology and Logistics (AT&L), the Honorable John J. Young, is placing increased emphasis on strategic workforce analysis to improve data-driven decision making. This will enhance the Department of Defense's (DoD) ability to shape smartly the future AT&L workforce. In addition, we have deployed a competency management initiative involving all AT&L functional leaders, component acquisition leaders, field-level subject matter experts, Defense Acquisition University representatives, and competency experts. This initiative will allow DoD to address better, gaps in skill sets.

CHARRTS No.: SG-03-004
Senate Committee on Governmental Affairs
Hearing Date: February 14, 2008
Subject: Building and Strengthening the Federal Acquisition Workforce
Witness: Anderson
Senator: Senator Voinovich
Question: #4

Question. The Acquisition Workforce Advisory Panel recommended a governmentwide database on the acquisition workforce that would help track their skills and competencies. You indicated that DAU has shared its system with FAI, which may meet this need. Would you please provide additional information on the types of information contained in this system? As you open your system up outside of DoD, what do you see as the biggest challenge in maintaining an accurate database?

Answer. The Defense Acquisition University (DAU) has fielded an acquisition workforce data mart, which contains key demographic and acquisition unique data on the acquisition workforce. The data mart is a key tool for improving workforce data quality and improving our human capital strategic planning and real time workforce analysis capability. It includes historical and current year information such as workforce count, organization, location, functional categories, position certification requirements, certification levels achieved, and other key demographic information that enables hiring, retention and retirement analysis. Dashboard-type reports, which include training information, can be automatically generated and provided to organizations. We are well positioned, in combination with our DAU learning management system, to continue leveraging these capabilities for greater benefit through our partnership with the Federal Acquisition Institute.

It should be noted that DoD and the civilian agencies have historically taken a different approach to acquisition workforce development and management. The civilian agencies have defined and managed their acquisition workforce by occupation series. DoD has fused acquisition position responsibilities and occupational series to define and manage its workforce. This approach requires position management, which is a challenge, but we believe this approach enables more deliberate workforce planning and management.

CHARRTS No.: SG-03-005
Senate Committee on Governmental Affairs
Hearing Date: February 14, 2008
Subject: Building and Strengthening the Federal Acquisition Workforce
Witness: Anderson
Senator: Senator Voinovich
Question: #5

Question. DAU has successfully partnered with FAI to expand training opportunities for the acquisition workforce throughout the government. Would you envision DAU being able to expand its mission throughout the government while maintaining its responsibility to DoD?

Answer. This is an infrastructure and mission issue that requires addressing both the interagency approach and the requirements for additional resources to expand including faculty capacity. Currently the Department of Defense does not have a mission requirement to provide this capability. Therefore, doing so would also require that the civilian agencies build new processes to define and capture their demand for acquisition training and take those actions necessary to ensure an available funding stream to procure services under the Economy Act. The ability to systematically define and project future acquisition training requirements on an annual basis is critical. To thoughtfully address this question requires additional information of the federal training demand.

CHARRTS No.: SG-03-006
Senate Committee on Governmental Affairs
Hearing Date: February 14, 2008
Subject: Building and Strengthening the Federal Acquisition Workforce
Witness: Anderson
Senator: Senator Carper
Question: #6

Question. In its October 2007 report, the Gansler Commission stated, and I quote, "The Army's acquisition workforce is not adequately staffed, trained, structured, or empowered to meet the Army needs of the 21st century deployed warfighters..." For example, the Gansler Commission describes a dramatic decrease - almost 60 percent - of the number of full-time personnel working for the Defense Contract Management Agency, which has the Department of Defense's resident expertise in contract management. These kinds of workforce issues are in evidence throughout not only the Army, but the Defense Department, as well as the entire government. My questions to you, then, are what is the Defense Department doing specifically to address these issues. Where does the Department of Defense recruit its civilian workforce? What incentives is the Department of Defense providing to retain civilians?

Answer. (1) The Department of Defense (DoD) has extensive efforts underway to address the challenges identified by the Gansler Commission. The Under Secretary of Defense for Acquisition, Technology and Logistics stood up a Task Force for Contracting and Contract Management in Expeditionary Operations to address all Commission recommendations to include those on workforce. The Department is integrating the efforts of this task force with the many related activities underway within the DoD. The Task Force is composed of senior OSD leaders, representatives for the Military Departments, the Defense Contract Management Agency and the Joint Contingency Contracting cell for Iraq/Afghanistan. The Task Force meets weekly to ensure a coordinated and consistent Department approach. In light of the Gansler report, additional contingency contract training and contracting officer representative training are being developed. In addition, the Army has indicated plans to increase the size of it contracting workforce - both civilians and military, including general officers.

(2) We are recruiting our civilian workforce from across the nation. Our military bases throughout the United States and overseas recruit and hire at the local level. As indicated earlier, we have been very successful during the past five years in hiring across all acquisition communities.

(3) DoD acquisition civilian workforce members retire at a slower rate than DoD overall. Only 20 percent of the workforce actually retired within one year of becoming eligible. That is, 80 percent did not retire during the first year of eligibility. The analysis further indicated the current annual retirement rate for the DoD acquisition workforce is approximately 3.5 percent, which means that DoD benefits from acquisition workforce members staying longer. A major ongoing activity is to deploy a comprehensive workforce analysis capability. This will position the Department to become more strategic in our training, development, and retention efforts. This will enable the Department to address acquisition workforce size, shape, mix, and required acquisition competencies. Finally, we are shaping a package of thoughtful recruiting and retention incentives as part of the 10 USC Sec 1705, Defense Acquisition Workforce Development Fund implementation.

Post-Hearing Questions for the Record
Submitted to Karen Pica
From Thomas R. Carper

"Building and Strengthening the Federal Acquisition Workforce"

February 14, 2008

1. Career development is crucial for maintaining and improving the skills necessary to properly oversee the procurement of goods and services in the federal government. I understand the Federal Acquisition Institute coordinates with other organizations such as the Office of Federal Procurement Policy in OMB to develop and implement strategies to meet the needs of the current and future acquisition workforce. My question for you is, what successes have we seen since 2001 in closing the recognized workforce gaps and why are there still persistent and pervasive problems today, in 2008? Also what is being don't today to compensate the loss of acquisition officers due to retirement of our baby boom generation?

In January, OFPP, FAI and OPM launched the Federal Acquisition Intern Coalition (FAIC). The FAIC will focus on targeting new recruits into the workforce, increasing retention, developing career paths, establishing a mentoring program, promoting rotational assignments and workshops, and developing other community-building activities. The tagline for this effort is "Be America's Buyer." FAI, under the direction of OFPP is partnering with OPM and DAU to get the word out about contracting as a profession (visit www.fai.gov/careers) and to leverage existing intern programs and other developmental programs that agencies have.

To overcome skills gaps and facilitate the success of our acquisition workforce, OFPP developed three certification programs for contract specialists, contracting officers technical representatives, and program/project managers (FAC-C, FAC-COTR, FAC-P/PM). The purpose of these programs is to standardize training and development across civilian agencies and FAI is supporting agency implementation and providing workforce solutions for these programs.

To accommodate the loss of acquisition professionals due to retirement and attrition, agencies are also taking advantage of various hiring authorities such as direct hire authority, student career employment program, federal career intern program, and reemployed annuitants in order to address the impending retirement wave. FAI, under the direction of OFPP and through the FAIC, has conducted workshops to guide agency officials on the appropriate use of these authorities and we expect to see agencies implementing more of these authorities. In fact, from 2001 through 2007, the 1102 workforce in the government has grown from 26,608 to 28,434.

Post-Hearing Questions for the Record
Submitted to Karen Pica, Director, Federal Acquisition Institute
From Senator George V. Voinovich

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1. Are OFPP and FAI working to develop a common definition for the acquisition workforce across the government?

The Chief Acquisition Officer is responsible for identifying the acquisition workforce in accordance with OFPP policy letter 05-01 April 15, 2005. FAI supports OFPP and the Chief Acquisition Officers in each agency by providing tools and assistance with OFPP guidelines to support the flexibility CAOs have in determining who should fall under the OFPP policies and certifications. At a minimum the acquisition workforce of an agency includes:

- All positions in the general schedule contracting series (GS-1102) and non-DOD uniformed personnel in comparable positions.
- All Contracting Officers (CO) regardless of general schedule series with authority to obligate funds above the micropurchase threshold.
- All positions in the general schedule purchasing series (GS-1105).
- Program and project managers, as identified by the agency's Chief Acquisition Officer (CAO), or equivalent.
- All Contracting Officer's Representatives (CORs) and Contracting Officer's Technical Representatives (COTRs), or equivalent positions.
- Any significant acquisition-related positions identified by the CAO, or equivalent.

2. Your testimony mentions that FAI was able to provide training opportunities to the federal acquisition workforce making use of the Acquisition Workforce Training Funds. Would you be able to provide more information on how those resources were spent and data on the amount and type of training FAI was able to provide with this funding?

The acquisition workforce training fund with approximately $25M collected since 2004 has allowed FAI to facilitate 80,000 training completions, conduct a government-wide competency survey to identify gaps for future training needs, make enhancements to the acquisition career management information system to better track training completions and certifications, and develop new training in emergency contracting and small business procurement. The type of training FAI has been able to provide through the AWTF includes core contracting training to support the Federal Acquisition Certification-Contracting, performance based acquisition, emergency contracting, just-in-time training for FAR rule changes, learning seminars on green procurement, performance metrics, contract administration, and other "hot topics", and provide funding to open all Defense Acquisition University on-line courses to the civilian agency acquisition workforce.

3. The Chief Acquisition Officers Council has assumed the lead in developing the acquisition workforce. What level of partnership have they had with the Chief Human Capital Officers Council within the Office of Personnel Management?

FAI, in support of the Chief Acquisition Officer Council Human Capital Working Group has been working with the Office of Personnel Management in developing and managing competencies for the acquisition workforce, developing and implementing the Federal Acquisition Intern Coalition, leveraging OPM research and expertise in recruiting and career paths, and partnering on helping acquisition managers understand and use OPM hiring authorities. FAI is also collaborating with OPM on the OPM Proud to Be Goals by supporting agencies efforts to close workforce gaps through FAI facilitated solutions.

4. Do you believe the current job classifications and job series provided by the Office of Personnel Management Adequately capture the skills and job functions of the numerous segments of the acquisition workforce?

The OPM job classifications and job series for key members of the acquisition workforce, such as contracting and procurement professionals and program and project managers, adequately capture the skills and job functions for the workforce. The classifications provide the general standards for these key positions while allowing flexibilities for agencies to include more specific information in position descriptions to meet agency needs as determined by the agency Chief Acquisition Officer. As an administrative measure all contract specialists, contracting officer's representatives, and program/project managers are required to input their information into the acquisition career management information system which is managed by FAI and which allows FAI and OFPP to gather critical information on the development of the federal acquisition workforce.

5. DAU is able to benchmark that it provided an average of over 49 learning hours to each of the 126,000 members of the Defense acquisition workforce. Is there a similar mechanism to identify how much training the rest of the government's acquisition workforce has received?

FAI is still collecting metrics on training provided through the acquisition workforce training fund. In 2007, FAI can report 40,000 training completions for almost 300,000 hours of training were provided to the acquisition workforce through FAI provided learning opportunities and FAI supported training through the Defense Acquisition University. The "traditional" acquisition workforce of procurement professionals includes 22,000 members so the average is 13 hours per procurement professional, if considering the contracting officer technical representatives estimated conservatively at 70,000, the learning available through FAI resources drops to 3 hours per professional.

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