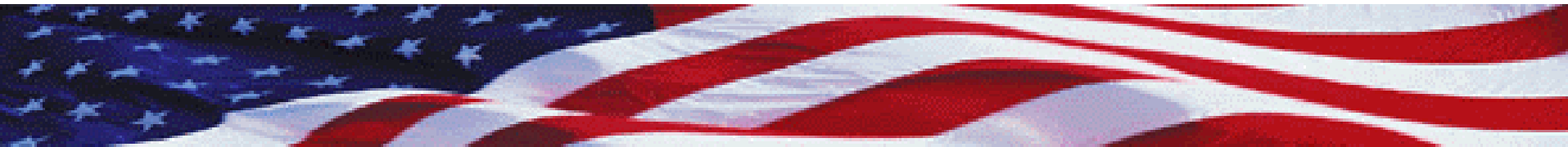


Acquisition Workforce Working Group Findings

Public Meeting June 14, 2006

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



Finding #1:

The federal acquisition workforce is an essential key to success in procurement. Without a workforce that is qualitatively and quantitatively adequate and adapted to its mission the procurement reforms of the last decade cannot achieve their potential, and successful federal procurement cannot be achieved.



Finding #2:

- **There is an increasing level of demands on the federal acquisition workforce:**



Finding #2-1:

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



Finding #2-2:

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



Finding #2-2-1:

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



Finding #2-2-2:

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



Finding #2-2-2 (continued):

Heavy reliance on the schedules and other forms of interagency contracting can alleviate the burdens on understaffed agencies insofar as “getting to the initial award,” but too often contributes to subsequent problems that arise when ordering agencies fail to use these vehicles appropriately, fail to secure competition in using these vehicles, or fail to manage contract performance under these vehicles



Finding #2-3:

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



Finding #2-3 (continued):

Even the ultra simple purchase card transactions have a more complex impact on the acquisition workforce than was initially appreciated, because of the need to institute appropriate purchase card management and controls.



Finding #2-4:

But the remaining share of procurement – outside the ambit of simplified procedures-- is the portion that actually requires most of our attention going forward. For this critical share of the government's procurement activity, the demands of procurement on the acquisition workforce have grown dramatically.



Finding #2-4-1:

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



Finding #2-4-2:

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



Finding #2-4-3

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



Finding #2-4-4:

Heightened requirements for use of commercial goods and services has increased the demand for a sophisticated acquisition workforce that has mastery over the commercial markets in which goods and services are to be secured.



Finding #3:

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



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



Finding #4:

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



Finding #4-1:

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



Finding #4-2:

- **The acquisition workforce has been defined differently for DoD and for civilian agencies over the period of the acquisition reforms and the acquisition workforce cutbacks that we need to examine.**



Finding #4-3:

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



Finding #5:

Despite the substantial problems with the data that has been collected over the past 25 years to keep track of the composition of the federal Acquisition Workforce, it is perfectly clear that the Acquisition Workforce has not received the attention, resources, and qualitative and quantitative reinforcement necessary to keep pace with the demands that have been placed on it.



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



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



- There were also cuts in agency training budgets that meant the existing workforce was not trained to adapt to the increasingly complex and demanding environment in which they were called upon to function.



Finding #5-1:

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



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



- On the other hand, the government has not been able to compete very successfully for the services of talented procurement professionals who have been working within the private sector. The government does not have a salary structure and career ladders that are likely to attract experienced procurement professionals from the private sectors.



Finding #5-2:

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



Finding #5-3:

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



Finding #6:

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



Finding #7:

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



Finding #8:

If contractor personnel are to be used to augment the federal acquisition workforce, careful attention must be paid to the potential for organizational conflicts of interest that may be engendered by this practice.



Finding #9-1

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



Finding #9-2:

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



Finding # 10

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



- Insisting that the acquisition workforce be enabled to catch up with the demands of the procurement workload and the transformed demands of procurement reform is not hostile to the cause of procurement reform. Rather, it is an essential step in attempting to optimize the complex procurement process that we have created in order to consistently achieve good value for the expenditure of public resources.

