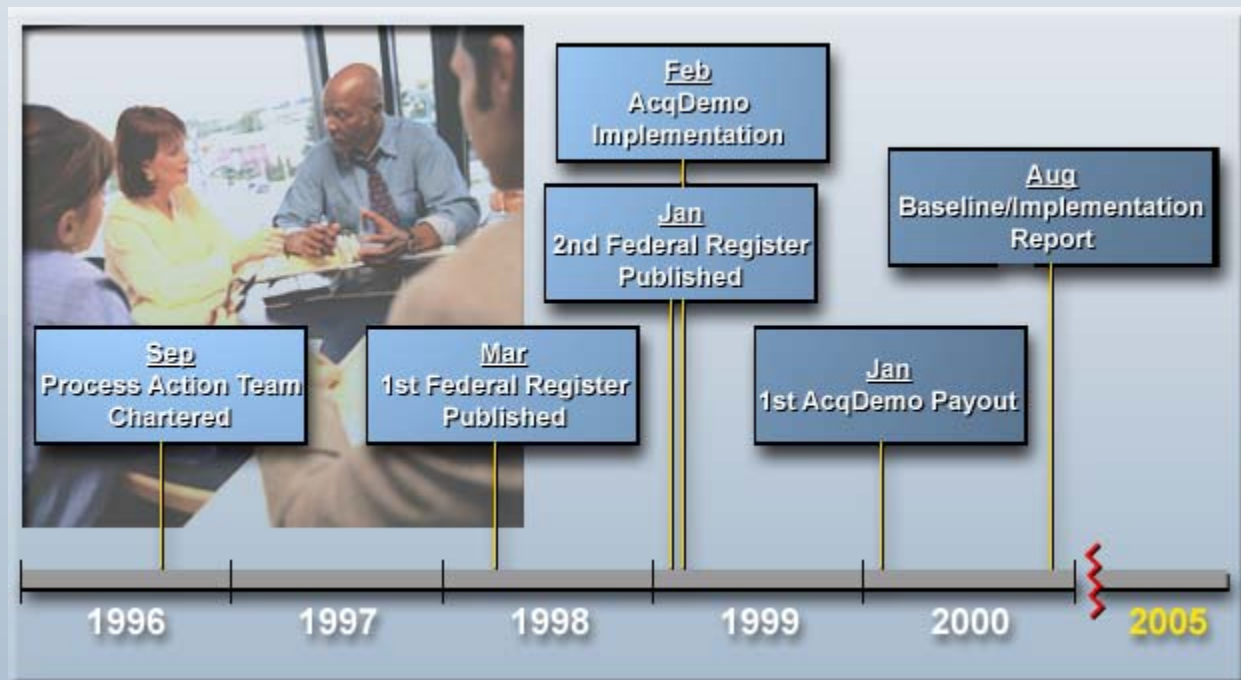


Baseline/Implementation Report

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DOD Civilian Acquisition Workforce Personnel Demonstration Project

Volume I – Report



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TABLE OF CONTENTS

Executive Summary..... ES-1

Section A—Introduction

 Chapter 1: Background A-1-1

 1.1 Nature and Scope of the Report A-1-1

 1.2 Purposes and Breadth of the AcqDemo Project A-1-3

 1.3 Legal and Regulatory Authorities A-1-4

 1.4 Timeline and Milestones A-1-6

 Chapter 2: AcqDemo Project Development and Approval A-2-1

 2.1 Overview A-2-1

 2.2 Formation of Process Action Team A-2-1

 2.3 First Federal Register Notice A-2-2

 2.4 Hearings A-2-2

 2.5 Second Federal Register Notice A-2-3

 Chapter 3: Description of AcqDemo Project A-3-1

 3.1 Participating Components and Organizations A-3-1

 3.2 Description of Interventions A-3-5

Section B—Implementation

 Chapter 1: Communications and Training..... B-1-1

 1.1 Information for Managers, Supervisors, Employees, and Unions B-1-1

 1.2 Training Activities B-1-2

 1.3 Operating Procedures B-1-7

 1.4 Other Communications Activities B-1-10

 Chapter 2: Component Implementation Summaries B-2-1

 2.1 Introduction B-2-1

 2.2 Army B-2-1

 2.3 Navy B-2-3

 2.4 Marine Corps B-2-5

 2.5 Air Force B-2-6

 2.6 USD (AT&L) B-2-8

 Chapter 3: Degree of Implementation B-3-1

 3.1 Overall B-3-1

 3.2 Implementation Charts B-3-1

 Chapter 4: Information Technology Support B-4-1

 4.1 Overview B-4-1

 4.2 CCAS Software B-4-1

4.3 AcqDemo Internet Site	B-4-3
4.4 COREDOC	B-4-4
4.5 Other Information Technology Initiatives.....	B-4-5
Chapter 5: Employees and Unions	B-5-1
5.1 Employees	B-5-1
5.2 Unions	B-5-2
 Section C—Evaluation Planning	
Chapter 1: Evaluation Planning Process (Evaluation Plan in Appendix)	C-1-1
1.1 Overview	C-1-1
1.2 Evaluation Models	C-1-2
1.3 Research Questions.....	C-1-8
1.4 Comparison Group	C-1-10
1.5 Evaluation Working Group	C-1-12
 Section D—Baseline Analysis	
Chapter 1: Baseline Data Collection	D-1-1
1.1 Workforce Data	D-1-1
1.2 Personnel Office Data	D-1-2
1.3 Baseline Attitude Survey	D-1-4
1.4 Focus Groups.....	D-1-5
1.5 Site Historian Logs	D-1-8
1.6 Cost Data	D-1-12
1.7 CCAS Data.....	D-1-13
1.8 Organization Effectiveness and Customer Satisfaction Data.....	D-1-13
Chapter 2: Baseline Study	D-2-1
2.1 Workforce Data	D-2-1
2.2 Attitude Survey.....	D-2-19
2.3 Focus Groups.....	D-2-24
2.4 Site Historian Logs	D-2-27
2.5 Cost Data	D-2-27
2.6 Personnel Office Data	D-2-30
Chapter 3: CCAS Results	D-3-1
3.1 CCAS Data.....	D-3-1
3.2 First Cycle CCAS Population	D-3-2
3.3 Appraisal Results	D-3-3
3.4 Pay Adjustments	D-3-7
3.5 Equity Studies	D-3-12
 Section E—Preliminary Findings and Recommendations	
Chapter 1: Preliminary Findings and Concerns	E-1-1

1.1 General E-1-1
1.2 Preliminary Findings..... E-1-2
1.3 Concerns..... E-1-4

Chapter 2: Initiatives and Recommendations E-2-1
2.1 Sources E-2-1
2.2 Initiatives and Recommendations E-2-1
2.3 Final Comment..... E-2-4

Appendices

- A—Evaluation Plan
- B—Focus Group Protocol
- C—Implementation and Cost Data Call
- D—Research Questions Crosswalk
- E—Baseline Attitude Survey Data

EXECUTIVE SUMMARY

Overview

This evaluation report focuses on the DOD Civilian Acquisition Workforce Personnel Demonstration Project (AcqDemo) after the first year of its operation. Following guidance from the Office of Personnel Management's (OPM) *Demonstration Projects Evaluation Handbook*, this assessment examines baseline preparations, metrics, and data, as well as the accuracy and completeness of implementation by participating organizations.

OPM requires a Baseline/Implementation Report “no later than 18 months after project implementation.” The assessment is to contain “project information and data through the first 12 months of the project.” The report is also to serve “as a public record of early project activities and the reference point upon which later comparisons will be made” when assessing the project’s effects. The main demands on the evaluation are to ensure sufficiency and reliability in the measures and data collected; that is, the data collected must be “sufficiently complete, accurate, and consistent to be useful in decisionmaking” (GAO GGD-96-118, June 1996). Sufficiency, reliability, and reasonableness have been the guiding principles in selecting measures, data sources, collection methods, and indicators for assessing the project’s accomplishments and shortcomings.

With OPM’s review and approval, this current assessment meets the statutory requirements for “Results Evaluation,” per 5 CFR 470.317(b), as well as the needs of acquisition workforce senior leadership. In parallel, OPM’s Office of Merit Systems Oversight and Effectiveness will continue to ensure operational compliance with merit system principles, in accordance with 5 CFR 470.317(a).

This report describes the start of the demonstration, the project’s first steps, and the early indicators of where AcqDemo is headed in accomplishing its main goals. Based on the OPM-approved *Evaluation Plan* (July 1999) for AcqDemo, the Program Office and Cubic Applications, Inc. (CAI) have fashioned and articulated a set of interlocking metrics for AcqDemo. The metrics are designed to trace and connect employee contributions to the mission and organizational outputs, as well as track intermediate outcomes from the eleven personnel interventions at the heart of the AcqDemo project. The assessment also examines those outcomes in relation to the accomplishment of the project’s principal goals. See Section D-1-14 to 16.

In summary, our judgment is that AcqDemo initiatives have been implemented accurately and completely, with some problem areas requiring additional attention.

The Baseline

The purpose of the DOD Civilian Acquisition Workforce Personnel Demonstration Project is to demonstrate that a flexible and responsive personnel system will enhance DOD's ability to attract, motivate, and retain a high quality acquisition workforce. To accomplish this purpose, AcqDemo includes eleven innovative interventions in the civilian personnel system and requires a conceptual shift in thinking from performance and outputs to contributions and mission results. These changes in the culture of work take time to be folded confidently into the appraisal processes (e.g., self-assessments and pay pool panel deliberations), personnel actions (e.g., broadbanding and simplified classification), and pay adjustments (Contribution Based Compensation Appraisal System—CCAS). The direct connection of pay to the appraisal of contributions is a significant change for the acquisition workforce to handle and to accept.

This report ties the metrics for assessing the success of the eleven personnel interventions to the four principal goals of the program. For each goal, there are quantifiable measures that will help us track performance over time against the program objectives and thresholds set by acquisition policy leaders.

We have gathered and collated baseline information for this report from the participating Components and the Program Office, from automated personnel databases, and from contractor analyses. Calls for information from the Components have been tied to a gridwork of research questions that crosswalk to the personnel interventions. Data sources, among others, include an attitude survey (conducted by OPM in mid 1998); Workforce Data (1998 Baseline and 1999 AcqDemo); Focus Groups (12 conducted by CAI before August 1, 2000); Structured Interviews (2 conducted by CAI before July 1, 2000); Expert Observation (Program Office (PO) and CAI); Site Historian Reports; Personnel Office Data (Evaluation Working Group—EWG); Implementation Report Data from the Components and Program Office; Cost Data from Components and Program Office; and CCAS Database and Analysis (SRA International).

As part of the baseline, we have also described the major efforts by the Components, the Process Action Team, the Executive Council, the Program Office, and the Project Manager to create the policies, procedures, documentation, software, and training needed to start AcqDemo. Between September 1996 and February 1999, preparations included the original concept paper, November and December 1996; the first and second *Federal Register* notices on AcqDemo (1998 and 1999); the *Operating Procedures* (1999); substantial training of employees, supervisors, and data maintainers by the Program Office and the Components; and work on automated software tools to assist the AcqDemo operation.

The *Evaluation Plan*, approved in July 1999 by OPM, sets out models, measures, data sources, and methodologies for assessing the intermediate and ultimate results of AcqDemo. The current report describes the evaluation metrics, the gathering of data, and the assessment process that will be followed over the next four years.

Initial Implementation

In order to implement the demonstration, Components must convert employees to the new system and must clarify procedures to be followed in executing the approved variations from laws and regulations. By this definition, AcqDemo has been fully implemented. At the same time, however, Components have not yet taken full advantage of each of the personnel interventions.

All Components have either adopted or supplemented the procedures developed by the AcqDemo Program Office. All the affected and eligible employees have been converted to the broadbanding system. The employees have been placed on the Position Requirements Documents (PRDs) under AcqDemo's simplified classification system, and participants are being evaluated under the Contribution-based Compensation and Appraisal System. Marine Corps, Army, Air Force, and Navy personnel were converted in February and March 1999, and they received their first pay adjustment under CCAS in January 2000. There were a total of 4701 participants in the first CCAS cycle. USD (AT&L) employees were converted in October 1999 and will be included in the next CCAS cycle. In the judgment of the Components, there was no notable impact due to staggered implementation. (See Section E-1-3 below for additional comments.)

Based on written reports from all Components, our judgment is that organizations participating in AcqDemo have implemented the project accurately and completely, with some organizations taking fuller advantage than others of the flexibility offered in the project. During the first cycle, most attention was placed on CCAS, as well as on the related broadbanding and simplified classification interventions. However, nearly all of the other interventions have been implemented to some degree. Now that CCAS is solidly in place, participating organizations are focusing additional attention on the interventions beyond CCAS in this project.

AcqDemo's implementation has not been without difficulty for some participants. Just as in the China Lake demonstration almost twenty years ago, it will take time to build favorable responses to AcqDemo among some employees. On the whole and based principally on Focus Group feedback, supervisors in some locations appear more favorably inclined to the demonstration project than employees do; at other locations, enthusiasm for the interventions is shared by both. The Program Office has taken the initiative, with direction in March 2000 from senior leaders in the acquisition community, to strengthen the effectiveness of supervisors in counseling and training employees about AcqDemo and its personnel processes. The Program Office has also focused additional attention on the execution of the personnel interventions.

Preliminary Findings and Recommendations

Although it is premature to discern trends in the evaluation of AcqDemo, let alone derive any valid conclusions about intermediate and ultimate results, there are nonetheless some early findings and a number of recommendations for the improvement of AcqDemo operations. The report delineates these findings and recommendations based on 1998 pre-demonstration data and 1999 AcqDemo information gathered from many sources. Some of the recommendations flow from Executive Council and Program Office experience with the project during the first year; some derive from the findings of this report; others result from guidance provided by senior

leaders of the DOD acquisition community during the March 2000 program review as well as by OPM; and still others reflect the suggestions and comments of supervisors, managers, and employees participating in the demonstration project.

The report describes initiatives and makes recommendations in the following areas: Project Management, AcqDemo Operations, Training, Evaluation, and Project Expansion. See Section E, Chapter 2 for a discussion of the initiatives and recommendations.

Structure of the Baseline/Implementation Report

This report is in three volumes:

Volume I of the Baseline/Implementation Report that follows this executive summary has five sections. Section A describes the background of AcqDemo, the demographics of the participants, and the interventions, along with the development of policies and procedures leading to implementation. Section B delineates preparations for AcqDemo, including training; describes implementation by the Components; shows the degree of implementation for all the interventions; examines areas such as the development of software and the application of information technologies for the project; and looks at efforts to engage national and local employee unions in AcqDemo. Section C examines evaluation planning, including the proposed models, the assessment methodologies, data sources and collection, cost data, and organizational effectiveness. Section D provides baseline data from the major assessment tools, including CCAS results from the first cycle. Section E provides preliminary findings and recommendations.

Volume II of the report includes the raw information for the attitude survey, the workforce data, CCAS, the cost data, and Personnel Office data.

Volume III contains the major documents of the AcqDemo project, including the *Federal Register* notices, the *Operating Procedures*, charters, concept papers, training packages, and other materials of interest to those involved in establishing demonstration projects.

Final Comment

We are confident that this Baseline/Implementation Report has established a solid basis for a well-grounded evaluation of the demonstration project over the next four years. Over time, we will be better able to see the trend lines, measure the results of the personnel interventions, assess the accomplishment of project goals, and help senior leaders of the acquisition community evaluate the overall costs and benefits. With detailed data and evaluations in hand, senior acquisition officials will have the evidence and projections to make informed judgments and recommendations about potential expansion of AcqDemo within DOD and about its possible adoption elsewhere in the federal government.

Chapter 1

Background

1.1 Nature and Scope of the Report

This report on the DOD Civilian Acquisition Workforce Personnel Demonstration Project (AcqDemo) focuses on the analytical baseline and the implementation of the program through its first cycle. At the outset, it is important for the reader to understand the nature and scope of this evaluation report, a report that responds to guidance in the Office of Personnel Management's (OPM) *Demonstration Projects Evaluation Handbook* (May 1999). It is also important for the reader to know both what this assessment report does and what it was never intended to do in evaluating AcqDemo's baseline and initial implementation.

This document describes the preparations for the demonstration, the project's first steps, and the early indicators of where we are, where we are headed, and what reasonable expectations there are that AcqDemo will continue to move toward its main objectives. Time, consistency, and context (including leadership) are principal factors for tracing change, assessing intermediate outcomes, and evaluating results against the goals of this demonstration project. After only one abbreviated cycle under the demonstration's Contribution-based Compensation and Appraisal System (CCAS), there are no solid conclusions to be drawn about the long-term results of this program at this time. Consistent with OPM guidance, the current report's main purpose is to establish the baseline against which an evaluation of results will be made in years to come.

In its Evaluation Handbook, OPM requires a Baseline/Implementation Report "in final form no later than 18 months after project implementation." The document is to contain "project information and data through the first 12 months of the project." In the case of AcqDemo the first appraisal period extended from February 7, 1999 to September 30, 1999, with participating organizations having at least six months in the program. Pay adjustments based on CCAS results took effect in January 2000. In addition, as OPM suggests, the report is to serve "as a public record of early project activities and the reference point upon which later comparisons will be made" when discerning the project's effects. The main demands on the current assessment are to ensure sufficiency and reliability in the measures and data collected; that is, the data collected must be "sufficiently complete, accurate, and consistent to be useful in decisionmaking" (GAO GGD-96-118*). Sufficiency, reasonableness, and reliability have been guiding principles in selecting measures, data sources, collection methods, and indicators for assessing project accomplishments and delineating concerns for the acquisition community leadership.

The principal audience for this report includes the leadership and participants from the Components, the Program Office (PO) staff, the leadership of DOD's acquisition community, and the DOD and OPM officials who have oversight responsibilities for demonstration projects. In addition, OPM has oversight of merit systems. The broader audience potentially includes the currently non-participating but eligible organizations from the Services and OSD, other

* *GAO Executive Guide—Effectively Implementing GPRA*, June 1996

organizations and agencies of the Department of Defense, and other agencies of the federal government, as well as Congressional staff interested in demonstration projects. (See requirements for an evaluation report in Section 812, National Defense Authorization Act for Fiscal Year 2001.)

The ultimate reach of AcqDemo evaluation extends well beyond the current project into lessons learned and best business practices, judgments about whether the AcqDemo should continue through and beyond the demonstration years, and recommendations on whether other elements of OSD and the Services should join this or similar projects. Based on results of the AcqDemo project, OPM would also recommend whether other federal agencies should consider participating in similar demonstrations or adopting demonstration features for government-wide applications.

Cubic Applications, Inc. (CAI), under a competitively won contract, is conducting and coordinating the external evaluation of the demonstration project for the AcqDemo PO. With review by OPM, this assessment will meet the statutory requirements for “Results Evaluation,” per 5 CFR 470.317(b), as well as the assessment needs of acquisition workforce senior leadership.

This report serves several descriptive and evaluative purposes for the project and more broadly for the acquisition community, the Department of Defense, and other federal agencies. The reader will find a full discussion of the multi-pronged evaluations of inputs, activities, outputs, and outcomes later in Section D, Chapter 1. With OPM’s Evaluation Handbook as a guide, this Baseline/Implementation Report is designed to do the following:

- Describe the essentials of the AcqDemo project: its purposes, goals, participant demographics, Comparison Group, and project interventions and innovations.
- Delineate the central features of the evaluation methodology and the plan (approved by OPM on July 22, 1999).
- Present and analyze, to the extent possible, objective and perceptual/attitudinal data from the baseline through the first pay adjustment cycle. Include in the analysis both the demonstration project participants and the Comparison Group. The objective data will be “the reference point upon which later comparison will be made” (OPM Evaluation Handbook).
- Present baseline information drawn from the principal data sources: attitude survey, Focus Groups, site historians, workforce data, and Personnel Office data.
- Describe preparations for implementation of the project: e.g., Federal Register notices, public hearings, activities of the Process Action Team and later the Executive Council and the Program Office, Operating Procedures, training on the project itself, development of and training on the compensation and appraisal software, and early data collection.
- Delineate Component development and use of their own training programs and other tools such as operating guides, communications with employees, top-down guidance,

negotiations with unions, marketing plans, web sites, and other topics capturing the extensive preparations.

- Collect, aggregate, analyze, and present information on implementation through the first cycle, to include: appraisal cycle problems and issues; the first pay adjustment; data from multiple sources of information on the primary and the secondary interventions; problems and solutions in implementation; variations in implementation and related differences; and information from Focus Groups, structured interviews, and other sources on implementation.
- Present any lessons learned, potential changes that are needed in the Federal Register, in the Operating Procedures, and elsewhere in project policies; identify findings, recommendations, and issues to watch during the remaining cycles of the demonstration.
- Include annexes such as the evaluation plan, the Focus Group protocol, the call for implementation history and cost effectiveness data, and the research questions matrix.
- Include the supportive technical data and examples of key documents that established the baseline and assisted in the implementation.

With only one CCAS cycle completed and with only limited data points, this report is **not** designed to do the following:

- Show trends in any way. The baseline and the one cycle of results are not sufficient to indicate directions with any certainty.
- Demonstrate solid, reliable trend analyses in comparisons between the demonstration group and the Comparison Group. At this time, we can compare the two groups with only a single baseline data point for each.
- Draw any meaningful comparisons between traditional title 5 employees and AcqDemo employees.
- Derive any long-term, reliable assessments on the effects of AcqDemo on improved organizational effectiveness.

Note: Comparative information will be provided in each Annual Report and in the Interim Report and the Summative Report due in 2003 and 2004. See Evaluation Plan dated July 14, 1999, page 22, as well as the related milestone schedule (Appendix A).

1.2 Purposes and Breadth of the AcqDemo Project

Section 4308 of Public Law 104-106 (later amended by Public Law 105-85), the National Defense Authorization Act for Fiscal Year 1996, encouraged the Department of Defense, with the approval of OPM, to conduct a demonstration program with the Department's civilian acquisition workforce. With authority to grow within boundaries permitted by the *Federal Register* and OPM, DOD's project through the first cycle covered approximately 5,000 employees in the acquisition workforce and supporting personnel located at more than 60 sites. Acquisition

workforce employees are defined as those individuals serving in acquisition positions within the Department of Defense, as designated in Section 1721 (a) of title 10, United States Code. Also included in the demonstration project are support personnel, defined in Section 845 of Public Law 105-85 as those assigned to work directly with the acquisition workforce in a team of personnel where more than half of the team consists of members of the acquisition workforce.

The purpose of the DOD Civilian Acquisition Workforce Personnel Demonstration Project is to demonstrate that a flexible and responsive personnel system will enhance DOD's ability to attract, motivate, and retain a high quality acquisition workforce. Both the participants and the policy makers need to know whether the system changes in AcqDemo will improve HR management. Did the interventions achieve the desired goals and improve mission accomplishment? Will the interventions, in fact, help DOD to acquire and sustain a higher quality acquisition workforce? Will they simplify procedures without compromising fairness? Will these interventions result in higher, lower, or the same costs as conventional federal personnel systems? If the costs are greater, are the increased costs justified by the benefits? That is, is the new system cost-effective and does it enhance mission accomplishment? Is the success, if any, likely to be transportable to other federal installations?

In guiding demonstration projects, OPM asks agencies to consider carefully what specific organizational problems or needs the agency wants to address in its demonstration (See OPM's *Demonstration Projects: Beyond Current Flexibilities*, June 2000). AcqDemo includes eleven personnel system interventions that are designed to overcome limitations of the current system. Through these interventions, AcqDemo seeks to show that the effectiveness of DOD acquisition can be enhanced by allowing greater managerial control over personnel processes and functions and, at the same time, by expanding opportunities available to employees through a more responsive and flexible personnel system.

If successful, this project will demonstrate that an HR system tailored to the mission and needs of the DOD acquisition workforce will result in:

- (a) increased quality in the acquisition workforce and the products it acquires;
- (b) increased timeliness of key personnel processes;
- (c) workforce data trends toward higher retention rates of "excellent contributors" and separation rates of "poor contributors";
- (d) increased satisfaction of acquisition managers and customers with the acquisition workforce, processes, and products; and
- (e) increased workforce satisfaction with the personnel management system.

1.3 Legal and Regulatory Authorities

The following are the principal legal and regulatory authorities governing the preparation, implementation, and evaluation of the AcqDemo project:

- 1.3.1** The Civil Service Reform Act of 1978, 5 USC 4703, authorizes the Office of Personnel Management to conduct demonstration projects that experiment with new and

different personnel management concepts to determine whether such changes in personnel policy or procedures would result in improved federal personnel management.

1.3.2 Section 4308 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104-106; 10 USC §1701 note), as amended by Section 845 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105-85), encourages the Secretary of Defense—with OPM approval—to conduct a personnel demonstration project within the civilian acquisition workforce, including the supporting personnel who work directly with the acquisition workforce. The authority is generally subject to Chapter 47 of title 5, USC.

1.3.3 On September 3, 1996, the Secretary of Defense chartered a Process Action Team (PAT) to develop the project. The charter delegated program planning and direction to the Under Secretary of Defense (Acquisition & Technology). The PAT included acquisition managers from each of the Military Services and DOD Components, as well as subject-matter experts from civilian personnel and manpower. The PAT charter includes policy direction on measures of success: “Each subproject and the demonstration project as a whole must be evaluated. Accordingly, the PAT should ensure that proposals it recommends have metrics that relate both to the success (or lack thereof) of implementing the personnel system improvement and of its value to the acquisition process.” (See Volume III of this report for the text of the PAT charter.)

1.3.4 On September 5, 1996, the first PAT leader announced that the Deputy Under Secretary of Defense (Acquisition Reform) had selected the Army as lead service and that work would commence rapidly on a series of concept papers. (See Volume III for a copy of the September 5, 1996 memorandum.)

1.3.5 The first *Federal Register* notice established the intent to conduct a personnel demonstration for acquisition workforce personnel and described the title 5 initiatives. The second *Federal Register* notice described personnel initiatives to be implemented under this demonstration project.

1.3.5.1 On March 24, 1998, OPM published this proposed demonstration project in the *Federal Register* (63 FR 14253). During the 60-day public comment period ending May 26, 1998, OPM received comments and questions from 182 individuals, including 37 who made comments at one of the three public hearings.

1.3.5.2 The second *Federal Register* notice (Vol 64, No. 5, pp. 426-495)—published on January 8, 1999—is entitled “Civilian Acquisition Workforce Personnel Demonstration Project.” This notice incorporated several changes in response to the public comment period.

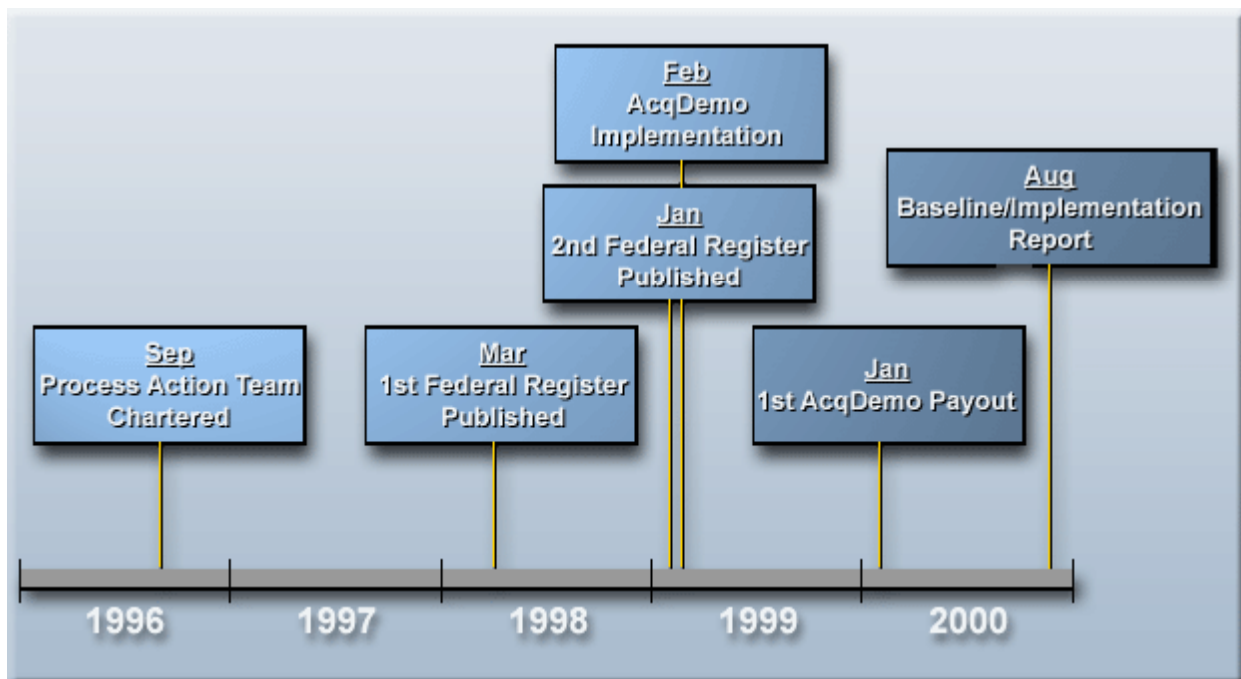
1.3.6 Code of Federal Regulations, 470.307, “Subpart C—Regulatory Requirements Pertaining to Demonstration Projects” details requirements for evaluations—See Section A, 2.1.1).

1.3.7 On August 24, 1999, the Project Manager announced the establishment of an Executive Council that would replace the PAT. (See Volume III for the text of the memorandum establishing the Executive Council).

1.3.8 On September 9, 1999, the Under Secretary of Defense (Acquisition and Technology) chartered the AcqDemo Program Office. (See Volume III for text of the PO charter.)

1.4 Timeline and Milestones (through August 2000)

The diagram below illustrates the major milestones achieved in the development and implementation of this demonstration project through August 2000:



Chapter 2

AcqDemo Development and Approval

2.1 Overview

Demonstration projects are conducted “to determine whether a specified change [or changes] in personnel management policies or procedures would result in improved federal personnel management” (5 USC 4701). Like other demonstration projects in the federal government, AcqDemo comes under OPM’s mentoring, guidance, and supervision. The OPM role includes assistance with the design and development of the project, approval of demonstration and evaluation plans, review of requested waivers within its authority to grant, monitoring the progress of the project, and evaluation of the project results over time. Under 5 USC, Chapter 47, OPM is permitted to waive certain civil service laws and regulations to enable an agency, such as DOD, to conduct demonstration projects by experimenting with new and innovative personnel systems.

2.1.1 OPM’s responsibilities in evaluation (See 5 USC 4703, CFR 470.317) include both “Compliance Evaluation” and “Results Evaluation.” With regard to compliance, projects need to be implemented accurately and completely, and operated in ways consistent with pertinent laws and regulations, as well as with the demonstration plan approved by OPM and published in the *Federal Register*.

2.1.2 The evaluation is used for many purposes, as detailed in OPM’s Evaluation Handbook, a few of which warrant mention here. Besides assessing the results related to project interventions, operational goals, and strategic objectives, the evaluation results will also be “the basis for extension, expansion, or termination of the project.” Evaluation of results is the demonstration’s linchpin to help assess the program’s interventions and individuals’ activities: from project design to its start with baseline evaluation, through implementation with formative evaluation, and to the end of the pilot (five or more years) with summative evaluation.

2.1.3 This report focuses on *baseline measures and data*, as well as on the *accuracy and completeness* of implementation through the first cycle.

2.2 Formation of Process Action Team

2.2.1 The PAT was chartered on 3 September 1996 to develop solutions for several DOD acquisition workforce personnel issues. In his transmittal memorandum, the Secretary of Defense stated the rationale for the project:

People are the most important element of the acquisition process, and our acquisition professionals deserve conditions in which they are treated as professionals and can be maximally productive, just as those who supervise and manage this workforce need to have a rational, supportive personnel system. We now have a major opportunity to

address shortcomings or impediments that we believe are inherent in the federal civilian personnel management system.

2.2.2 Over the next few months, PAT members (including OSD/CPP) developed personnel initiatives that together represented sweeping changes to human resources management for the DOD acquisition workforce. Several initiatives were designed to assist acquisition activities in hiring and placing the best people to fulfill mission requirements. Others focused on developing, motivating, and appropriately compensating employees based on their contribution to the mission. In November 1996, the Deputy Under Secretary of Defense (Acquisition Reform) (DUSD AR) issued a concept paper to the Components.

2.2.3 By December 1996, the PAT members had created and the Components and DOD had approved concepts for the AcqDemo project, including the interventions to the personnel system to be tested in the demonstration project. (See Volume III for a copy of the concept paper.)

2.2.4 With expanded assistance from the potentially participating DOD Components and OPM, over the next fifteen months the PAT members designed and drafted provisions for the eventual publication of the first *Federal Register* notice in March 1998.

2.2.5 The Executive Council replaced the PAT on August 24, 1999. (See Volume III for a copy of the charter for the Executive Council.)

2.3 First Federal Register Notice

The first *Federal Register* notice (63 FR 14253), March 1998, established DOD's intent to conduct a personnel demonstration for the acquisition workforce personnel and described the new initiatives in detail. (See Volume III for a copy of the first notice.) The *Federal Register* notices were distributed in print and electronically.

2.4 Hearings

After publication of the first *Federal Register* notice, there was a 60-day public comment period that ended on May 26, 1998. OPM received comments from 182 individuals, including 37 who made oral presentations at one of the three public hearings. The hearings were conducted at Ft. Belvoir, VA, on April 23, 1998; El Segundo, CA, on April 30, 1998; and Wright-Patterson AFB, OH, on May 5, 1998.

Some participants suggested changes to areas outside the project's scope or the demonstration project authority of 5 USC, Chapter 47. A number of comments highlighted instances of miscommunication and misunderstanding with the present system, as well as with the project interventions. Others provided insight and encouragement to project developers. Still others emphasized the importance of training for all project participants. Some of the recommended changes were adopted and included in the second FR.

A summary of the main issues and responses can be found in the opening of the second *Federal Register* notice. That summary addresses the questions and the comments received, provides answers, and notes resultant changes to the original plan in the first *Federal Register* notice.

2.5 Second *Federal Register* Notice

Between March 1998 and late December 1998, the PAT members continued to refine the project and prepared for the second notice. At the same time, the PAT members were engaged in wide-ranging activities, including consultation with unions at local and national levels, discussions with potential participating organizations, an extended series of training sessions for employees and supervisors, and the drafting the *Operating Procedures* (completed and approved in February 1999), as well as text revisions describing AcqDemo rules, interventions, and implementation plans. The second *Federal Register* notice, January 8, 1999, describes the personnel initiatives to be tested under this demonstration project. Less than a month later, implementation began with the Marine Corps on February 7, 1999. (See Volume III for a copy of the second notice.)

Chapter 3

Description of AcqDemo Project

3.1 Participating Components and Organizations

3.1.1 Eligibility.

See Section A 1.2 above for a description.

3.1.2 Participating Organizations.

AcqDemo includes various organizational elements of the Army, Air Force, Marine Corps, Navy, and the Office of the Under Secretary of Defense (Acquisition, Technology, and Logistics). Participant organizations are shown in Table A-1, together with the number of participating employees.

3.1.3 Participating Employees.

The second *Federal Register* notice announcing final rules for the demonstration project defines specific criteria for employee participation. General Schedule employees are included, while Federal Wage Grade and Senior Executive Service personnel are not. Interns assigned to an organization participating in the Demo may be included as determined by their organizations or components. Positions in the Defense Civilian Intelligence Personnel System, law enforcement officer personnel, and student temporaries are excluded, as are employees covered by any other demonstration project.

Table A-1 displays the number of participants in each component, by organizational unit. These figures reflect the population as of January 2000, at the time of the first CCAS payout.

Table A-1: Participant Components and Organizations

Component	Participants	Organizations
Army (1469 total)	89	Research, Development, and Acquisition Information Systems Activity (RDAISA)-Radford, VA
	11	Army Acquisition Executive Support Agency (AAESA)-Ft. Belvoir, VA
	14	Deputy Chief of Staff (Operations) (DCSOPS), Army Digitization Office (ADO)-Washington, DC
	158	Assistant Secretary of the Army (Acquisition, Logistics and Technology) (ASA(ALT))-Ft. Belvoir, VA
	272	Army Test and Evaluation Command (ATEC)-Alexandria, VA
	48	Deputy Assistant Secretary for Procurement (CSA/ZP)-Falls Church, VA
	36	US Army Contracting Command-Korea
	180	Defense Supply Services-Washington (DSSW)-Washington, DC
	13	Joint Program for Biological Defense (JPO for BioDef)-Falls Church, VA
	25	US Army Medical Command (MEDCOM)-San Antonio, TX
	53	Military Traffic Management Command (MTMC/MTAQ)-Falls Church, VA
	88	Prog. Executive Office (PEO) Command, Control and Communications Systems (C3S)-Ft. Monmouth, NJ
	80	PEO Ground Combat Support Systems (GCSS)-Picatinny, NJ
	128	PEO Ground Combat Support Systems (GCSS)-Warren, MI
	111	PEO Intelligence, Electronic Warfare, and Sensors (IEWS)-Ft. Monmouth, NJ
41	PEO Information Systems(IS)-Arlington, VA	
122	PEO Standard Army Management Information Systems (STAMIS)-Ft. Belvoir, VA	
Air Force (2027 total)	1927	AF Flight Test Center, Edwards AFB, CA
	100	Assistant Secretary of the Air Force (Acquisition) (SAF/AQ), Washington, DC
Marine Corps (572 total)	404	Marine Corps Systems Command (MARCORSYSCOM)-Quantico, VA
	168	Marine Corps Tactical Systems Support Activity (MCTSSA)-Camp Pendleton, CA
Navy (633 total)	549	Naval Sea Systems Command (NAVSEA), Team CX-Arlington, VA
	84	Navy International Program Office (IPO)- Washington, DC
USD (AT&L) (253 total)	253*	Under Secretary of Defense (Acquisition, Technology, and Logistics) (USD (AT&L))- Washington, DC
Total	4954	

** Joined AcqDemo in October 1999. All others (4701) joined AcqDemo between February 7 and March 31, 1999*

Table A-2 provides in summary form the baseline workforce profile and demographic data for both AcqDemo and the Comparison Group. These data are from Defense Manpower Data Center (DMDC) databases as of December 1998.

Table A-2: Summary of Workforce Characteristics and Demographics

Air Force		Army		Marine Corps		Navy		USD (AT&L)		Total		Comparison Group		
#	%	#	%	#	%	#	%	#	%	#	%	#	%	
Number of Participants:														
2026	40.4	1489	29.8	568	11.4	650	13.0	271	5.4	5004		1328		
Career Path: NH = Business Management and Technical Management Professional; NJ = Technical Management Support; NK = Administrative Support														
NH	1388	68.5	1275	85.6	477	84.0	562	86.5	221	81.5	3923	78.4		
NJ	224	11.1	36	2.4	14	2.5	11	1.7			285	5.7		
NK	414	20.4	178	12.0	77	13.6	77	11.8	50	18.5	796	15.9		
Pay Band:														
1	163	8.0	29	1.9	26	4.6	15	2.3	2	0.7	235	4.7		
2	732	36.1	324	21.8	122	21.5	90	13.8	37	13.7	1305	26.1		
3	994	49.1	736	49.4	351	61.8	345	53.1	52	19.2	2478	49.5		
4	137	6.8	400	26.9	69	12.1	200	30.8	180	66.4	986	19.7		
Grade:														
1	19	0.9			2	0.4					21	0.4	4	0.3
2	63	3.1	14	0.9	3	0.5	3	0.5			83	1.7	4	0.3
3	31	1.5	7	0.5	10	1.8	9	1.4			57	1.1	2	0.2
4	50	2.5	8	0.5	11	1.9	3	0.5	1	0.4	73	1.5	19	1.4
5	155	7.7	32	2.1	16	2.8	5	0.8	2	0.7	210	4.2	109	8.2
6	105	5.2	61	4.1	28	4.9	27	4.2	6	2.2	227	4.5	73	5.5
7	160	7.9	86	5.8	33	5.8	33	5.1	14	5.2	326	6.5	82	6.2
8	31	1.5	37	2.5	2	0.4	10	1.5	19	7.0	99	2.0	3	0.2
9	136	6.7	68	4.6	21	3.7	11	1.7	13	4.8	249	5.0	128	9.6
10	12	0.6	3	0.2					1	0.4	16	0.3	21	1.6
11	290	14.3	86	5.8	29	5.1	17	2.6	9	3.3	431	8.6	122	9.2
12	592	29.2	239	16.1	159	28.0	98	15.1	14	5.2	1102	22.0	393	29.6
13	269	13.3	448	30.1	188	33.1	244	37.5	11	4.1	1160	23.2	262	19.7
14	96	4.7	258	17.3	43	7.6	131	20.2	35	12.9	563	11.3	77	5.8
15	17	0.8	142	9.5	23	4.0	59	9.1	145	53.5	386	7.7	25	1.9
Race or National Origin:														
American Indian or Alaskan Native	20	1.0	8	0.5	3	0.5	3	0.5			34	0.7	24	1.8

	Air Force		Army		Marine Corps		Navy		USD (AT&L)		Total		Comparison Group	
	#	%	#	%	#	%	#	%	#	%	#	%	#	%
Asian or Pacific Islander	136	6.7	54	3.6	61	10.7	32	4.9	10	3.7	293	5.9	32	2.4
Black	216	10.7	246	16.5	69	12.1	138	21.2	32	11.8	701	14.0	107	8.1
Hispanic	118	5.8	38	2.6	20	3.5	13	2.0	4	1.5	193	3.9	43	3.2
White	1536	75.8	1141	76.6	415	73.1	462	71.1	219	80.8	3773	75.4	1122	84.5
Veteran:														
Yes	650	32.1	318	21.4	169	29.8	118	18.2	56	20.7	1311	26.2	841	63.3
No	1376	67.9	1171	78.6	399	70.2	532	81.8	215	79.3	3693	73.8	487	36.7
Gender:														
Male	1122	55.4	786	52.8	279	50.9	363	55.8	150	55.4	2700	46.0	771	58.1
Female	904	44.6	703	47.2	289	49.1	287	44.2	121	44.6	2304	54.0	557	41.9
Supervisor:														
Yes	365	18.0	1	0.1	136	23.9	99	15.2	0	0.0	539	10.8	205	15.4
No	1661	82.0	1488	99.9	432	76.1	551	84.8	271	100	4465	89.2	1123	84.6

Participation eligibility is also defined by occupational series. Employees in any of 397 occupational series are eligible to participate in AcqDemo. These series are listed in the second *Federal Register* notice.

Tables A-3 and A-4 illustrate representative series with the largest number and percentage of participants for both AcqDemo and the Comparison Group.

Table A-3: Representative Series for AcqDemo

Series		Number of Participants	Percentage of Participants
#	Title		
801	General Engineering	471	9.4%
343	Management and Program Analysis	470	9.4%
1102	Contracting	440	8.8%
318	Secretary	381	7.6%
855	Electronics Engineering	362	7.2%
2.1.1	Total	2124	42.4%

Table A-4: Representative Series for the Comparison Group

Series		Number of Employees	Percentage of Workforce
#	Title		
855	Electronics Engineering	159	12.0%
801	General Engineering	151	11.4%
1102	Contracting	149	11.2%
318	Secretary	80	6.0%
1101	General Business and Industry	71	5.3%
501	Financial Administration and Program	71	5.3%
Total		681	51.2%

(Derived from data in DMDC 12/98 data file)

3.2 Description of Interventions

Following are summaries of the personnel system changes provided in the AcqDemo project. The detailed and official descriptions of each of the interventions are included in the 8 January 1999 *Federal Register* notice (See Volume III of this report). AcqDemo personnel system changes are referred to as “interventions.”

3.2.1 Primary Interventions.

Primary interventions are those that will have the most significant impact on the acquisition workforce and are not piloted in this configuration in any other demo. These include:

3.2.1.1 Simplified, Accelerated Hiring. To compete with the private sector, managers need a hiring process that is streamlined, easy to administer, and allows for timely job offers. This demonstration project provides a flexible system that allows organizations more rapidly to appoint individuals to positions. Veterans’ preference provisions continue to apply.

- The Delegated Examining Process provides a flexible system in which candidates are assigned numerical scores of 70, 80, or 90 and are placed in “quality groups” when referred to the selecting official.
- The Scholastic Achievement Appointment provides the authority to appoint candidates with degrees to positions with positive education requirements. Candidates are required to have a cumulative grade point average (GPA) of 3.5 or better (on a 4.0 scale) in those courses or fields of study required for the occupation, and must have an overall GPA of at least 3.0 on a 4.0 scale.

3.2.1.2 Contribution-based Compensation and Appraisal System. The purpose of CCAS is to provide an equitable and flexible method for appraising and compensating the DOD acquisition workforce. CCAS measures the employee’s

contribution to the mission and goals of the organization, rather than how well the employee performed a job as defined by a job description and performance standards.

Contribution is measured by using a set of factors, discriminators, and descriptors, each of which is relevant to the success of a DOD acquisition organization.

The six factors are:

- | | |
|-------------------------|---------------------------|
| 1. Problem Solving | 4. Leadership/Supervision |
| 2. Teamwork/Cooperation | 5. Communication |
| 3. Customer Relations | 6. Resource Management |

Each factor has multiple levels of increasing contribution and contains descriptors for each respective level within the relevant career path. Employees are assessed for their contribution on each of the six factors, and an overall contribution score (OCS) is derived. OCS is used by a panel of managers and a pay pool manager to determine pay increases and contribution awards. Under CCAS, the general pay increase is not automatic, and the funds for this increase as well as those for step increases and awards are distributed among all participants according to their contribution. More detailed descriptions of CCAS, as well as the results of the first year's experience, are included in Section D, Chapter 3 of this report.

3.2.1.3 Appointment Authority. The new, modified Term appointment authority provides the ability to expand and contract the workforce and adapt to variable workloads and mission changes. Under this demonstration project, there are three appointment options: permanent, temporary-limited, and modified term. The permanent and temporary-limited are the existing title 5 authorities. Under the modified term option, appointments may be made for a period that is expected to last longer than one year, but not to exceed five years, with an option for one additional year when the need for an employee's service is not permanent. After two years under this appointment, an employee may be converted to permanent status through internal merit promotion without further competition.

3.2.1.4 Classification. Under the demonstration, commanders (or equivalent) may re-delegate classification authority to subordinate management levels, at least one level above the first-line supervisor (except commander's direct reports). CCAS descriptors will be used for broadband level determination, not OPM standards. A new, simple Position Requirements Document (PRD) will replace the normal position description form. The PRD combines position information, staffing requirements, and contribution expectations into a single document. It includes job specific information and reference to the CCAS level descriptors.

3.2.1.5 Academic Degree and Certificate Training. Currently, Defense Acquisition Workforce Improvement Act (DAWIA) authorizes degree and certificate training for DAWIA coded positions through the year 2001. The demonstration extends this authority for the duration of the project as well as to

all employees in acquisition support positions identified in the project. Funding for academic degree and certificate training, while potentially available from numerous sources, is the responsibility of the participating organization.

3.2.2 Secondary Interventions.

Secondary interventions are those that have been tried and evaluated in other demonstration projects. Secondary interventions include:

3.2.2.1 Expanded Candidate Selection Process. Candidates who meet at least minimum qualifications will be assigned to one of three “quality groups” (Superior, Highly Qualified, Basically Qualified) but will not be ranked within these groups. All candidates in the highest group will be referred; other groups are referred if needed to provide a sufficient number to be considered. Selection can be anyone within the group—no “rule of three”; however, veterans’ preference will apply.

3.2.2.2 Extended Probationary Period. This provision applies only to the Business Management and Technical Management Professional career path (NH). Often new hires in this career path are required to attend extensive training and educational assignments away from their normal work site and outside the review of their supervisors. This intervention provides a means for extending the opportunity to evaluate the contribution of new hires so assigned as needed. An extension can be equal to the length of any educational/training assignment that places the employee outside normal supervisory review.

3.2.2.3 Broadbanding. The broadbanding system replaces the GS grade structure. (Grades are shown on Table A-5 below as a reference point for salary ranges.) Acquisition occupations with similar characteristics are grouped together into three career paths with broadband levels designed to facilitate pay progression and to allow for more competitive recruitment of quality candidates at differing pay rates. The three career paths are Business Management and Technical Management Professional (NH); Technical Management Support (NJ); and Administrative Support (NK). There are four broadband levels covering GS grades 1 through 15.

Table A5: Career Paths and Broadband Levels

CAREER PATHS	BANDS														
	I				II					III			IV		
Business Management and Technical Management Professional (NH)	I				II					III			IV		
Technical Management Support (NJ)	I				II					III			IV		
Administrative Support (NK)	I				II					III					
GS Grades	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15

Under this provision, hiring officials determine the starting salary of new hires based on labor market conditions, programmatic urgency, and the education and experience of candidates. Managers have greater flexibility to assign an employee within broad descriptions, which is not a position change and does not cause a reassignment of the individual.

3.2.2.4 Simplified Modified RIF. Employees in the demonstration project within a given Component and located in the same commuting area are placed in a different competitive area from employees not covered by the demonstration. Employees are entitled to additional years of retention service credit based on appraisal results.

3.2.2.5 Sabbaticals. Sabbaticals are designed to help employees participate in study or work experience that benefits the organization and acquisition community and contributes to their development and effectiveness. The sabbatical provides opportunities to acquire knowledge and expertise that employees could not get in the standard work environment. As a program requirement, a sabbatical must result in a product, service, report, or study that will benefit the acquisition community as well as increase the employee’s individual effectiveness. Approval by the activity’s Executive Director or equivalent is required.

3.2.2.6 Voluntary Emeritus Program. This program allows demonstration project organizations to accept the gratuitous services of retired or separated employees. It will be beneficial during personnel reductions as skilled acquisition professionals accept retirement and return to provide corporate knowledge and mentoring to less experienced employees. Voluntary emeritus assignments are not considered federal employment, and therefore do not affect an employee’s entitlement to buy-outs, severance pay, or retirement payments based on earlier separation from federal service. This program may not be used to replace civilian employees occupying regular positions required to perform the mission of the command.

Chapter 1

Communications and Training

1.1 Information for Managers, Supervisors, Employees, and Unions

1.1.1 Overview.

Long before the start of any program that involves major changes in personnel policies, especially changes that affect salary, there needs to be extensive communication about the need for change, principal policy revisions, and new procedures. Such communication is the most effective way to increase the likelihood that participants will become stakeholders in the project and not perceive themselves as objects of an experiment. There is a minimal comfort level that should be reached through effective training, frank discussions, and information exchanges between and among managers, supervisors, and employees. Even with extensive information programs and good leadership, however, resistance to change by some or even many participants in such a new endeavor is to be expected. No matter what information is exchanged, there will be some participants who understand the demonstration well enough but disapprove of one or more features.

Just like the China Lake experiment of two decades ago, AcqDemo experienced negative reactions on the part of some participants after the first cycle. This assertion is based on Focus Group comments, expert observation, and Component surveys. In the case of China Lake, it took more than five years before the majority of the participants were favorably disposed to the program. After the first year, less than thirty percent of the participants at China Lake were in favor of the program.

The leadership of the Components in AcqDemo recognized the difficulty they faced early on. They would have to convince the workforce of the value in the direct linkage of contribution to pay, the emphasis on contribution to mission and not on daily performance activities, the broadbanding of positions and levels, a new appraisal system in which the pay pool panels make salary decisions, the elimination of step increases, and other substantive changes. Furthermore, if the project is to be successful, participants must have clear understanding of the importance of these features in a demonstration whose purpose is to create a high-quality, well-trained workforce for the 21st century.

From FY96 to FY99, marketing plans, information exchanges, training programs, and communications varied in quality, quantity, and frequency across the Components. That said, there were some outstanding Service initiatives. A number of military and civilian leaders in the acquisition community went to extraordinary lengths to keep potential participants and unions informed about the development and implementation of AcqDemo. In many cases, however, there simply was fundamental disagreement on the value of central aspects of the demonstration project.

We have collected and selected examples of the communications of acquisition leaders with potential AcqDemo participants. Because there were so many examples of high

quality, we chose a number of different types of communication rather than presenting all the excellent examples. See Volume III for a selection of examples.

1.1.2 Techniques.

The AcqDemo Components continue to use great variety in the forms of communications to address employees, supervisors, and managers. In addition to the frequently-used commanders' calls and briefings, e-mail played a large role in sending fast, brief messages updating potential participants and responding to issues raised by employees. These techniques are included in the implementation summaries for each of the Components—See Chapter 2 below. From off-site conferences to teleconferencing, senior leaders attempted to elicit and shape assistance from managers and supervisors who would help prepare employees to join the project.

The integration of communications and training materials was a particularly effective step taken by managers and supervisors. From distribution of copies of the *Federal Register* notice to allowance for training time when employees could take the web-based tutorials, many managers planned and executed well-crafted campaigns to inform and train employees and supervisors. Based on Focus Group feedback, we believe that some employees felt short-changed in information and training—however, overall there was considerable care given to information exchanges in most organizations.

1.2 Training Activities

From the fall of 1997 to the present, AcqDemo training activities were planned and implemented for all participants.

1.2.1 Requirements.

Training requirements were delineated in the *Federal Register* notices as follows:

"Training at the beginning of implementation and throughout the demonstration will be provided to supervisors, employees, and the administrative staff responsible for assisting managers in effecting the changeover and operation of the new system. The elements to be covered in the orientation portion of this training will include: (1) a description of the personnel system; (2) how employees are converted into and out of the system; (3) the pay adjustment and/or bonus process; (4) the new position requirements document; (5) the new classification system; and (6) the contribution-based compensation and appraisal system. In conjunction with the education, training, and career development assets of the Military Services and DOD Agencies, the demonstration project team will train, orient, and keep informed all supervisors and employees covered by the demonstration project and administrative staff responsible for implementing and administering the human resource program changes.

- A. *Supervisors.* Training will include detailed information on the policies and procedures of the demonstration project, as well as skills training in using the

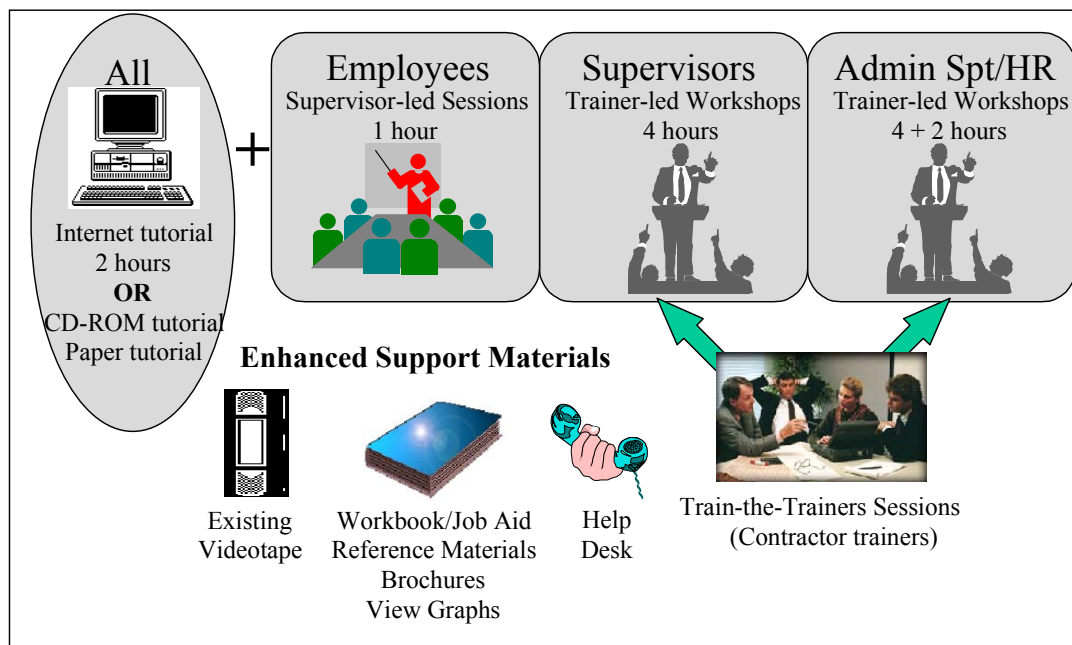
classification system, position requirements document, and contribution evaluation software.

- B. *Administrative Staff.* This staff will receive training in the procedural and technical aspects of the project.
- C. *Employees.* In the months prior to implementation, the demonstration project team and Military Service and DOD Agency training and career development offices will provide all employees covered under the demonstration project training through various media. This training is intended to fully inform all affected employees of all significant project decisions, procedures, and processes."¹

1.2.2 Training Plan.

On September 16, 1997, the Process Action Team contracted—through Defense Logistics Agency—with Cubic Applications, Inc. to conduct a front-end analysis (FEA) of AcqDemo training requirements. The FEA described and analyzed a number of delivery approaches, including Internet/intranets, instructor-led sessions/workshops, videotapes, printed materials, and other methods and combinations. Upon receipt of government comments on the analysis, the contractor was then tasked to create a Technical Implementation Plan.

1.2.2.1 The FEA² was delivered to the government on October 17, 1997, recommending a multi-tiered, cohesive, fully-integrated training program as illustrated below:



¹ Federal Register Notice, Vol. 64, No. 5, January 8, 1999, p. 1483.

² See Volume III of this report.

RECOMMENDED APPROACH

Key features of the recommended training program included:³

- All participants would be provided an opportunity to work through a one to two hour basic tutorial on the key features of the demonstration project. The principal method for delivery was through an Internet-delivered tutorial— primarily text-based, supplemented by limited use of graphics and animations to add interest and impact.⁴ For those without Internet access, the same tutorial would be made available via CD-ROM, and a print version would also be prepared.
- All supervisors would also attend a half-day workshop on their demonstration project responsibilities. Workshops would be conducted locally by contractor-provided trainers who would have attended specially designed train-the-trainer workshops.
- Administrative support staff and personnelists supporting the demonstration project would attend the same workshop as would supervisors. They would also be provided two hours of additional platform-delivered training on selected topics by the contractor trainers.
- All supervisors would conduct one-hour discussion sessions with their employees, using slides and briefing notes (Supervisors Workbook) provided by the contractor for this purpose.
- Training support materials to be prepared by the contractor would include the tutorial, Supervisors Workbook, and VHS videotapes on acculturation, participating in a pay pool panel, and counseling of employees.

1.2.2.2 On October 27, 1997, the PAT provided guidance for the preparation of the technical implementation plan (TIP). Most of the FEA recommendations were accepted; however:

- The introductory tutorial would be designed and developed as discussed above. However, the contractor would also develop an audio version (cassette) for vision-impaired participants.
- The government would provide trainers to conduct the supervisor and administrative staff workshops.

³ This training was to be provided in addition to any training offered to participants by the Services and Agencies on Component-specific policies and procedures.

⁴ As part of the FEA, CAI conducted an Internet access survey in which it was determined that overall AcqDemo Internet access was reported as 84.75% (weighted average based on numbers of participants by participating organization).

- Train-the-trainer sessions would be developed and conducted by the government—Defense Logistics Agency Civilian Personnel Support Office in Columbus, Ohio.

The TIP was prepared and delivered to the PAT on November 17, 1997.⁵

1.2.3 Implementation.

1.2.3.1 Tutorials. Following delivery of a Technical Implementation Plan, DLA and the PAT provided contractor guidance to proceed with the tutorial elements of the training program. As a follow-on to the analysis phase of this project, DLA directed the contractor on December 12, 1997 to design, develop, implement, and evaluate tutorials for use by employees participating in the DOD Civilian Acquisition Workforce Demonstration Project. The tutorials were to be developed in four formats/media: an Internet-based tutorial (not to exceed two hours in length) in HTML format, primarily text with limited graphics; a CD-ROM version of the Internet tutorial; a paper version in MS Word; and an audiotape set of two 60-minute cassettes.

On May 1, the contractor completed delivery of the Internet-based tutorial, the print text version, and the audiocassette version in a master tape. (On April 27, 1998, DLA had informed the contractor that the CD-ROM version of the tutorial did not have to be produced until all the changes were made to the Internet-based tutorial in the late summer of 1998.) However, publication of the tutorial to the Internet was delayed pending revisions that were needed because of changes to the *Federal Register* and the *Operating Procedures*.

1.2.3.2 Training Videos. On March 6, 1998, the contractor received a task order for design, development, pre-production, and production of three training video tapes, as envisioned in the original FEA and TIP. Under the task order, DLA was to be responsible for post-production.

On May 29, the contractor completed performance on the video task/work order by delivering on time: printed edit lists; a floppy disk of the edit lists; the name and title sheet for participants in the acculturation video; tap logs; and 3 VHS tapes of final offline edits.

1.2.3.3 Supervisors Workbook. A task order for development of the Supervisors' Workbook was issued by DLA in May 1998, with a final version due on 1 August. The PAT decided that paper copies of the document would not be made; rather, the workbook would be distributed electronically.

As a result of some additional needs identified during the course of government train-the-trainer sessions, the PAT subsequently decided to defer delivery until

⁵ See Volume III of this report.

September 1998 in order to accommodate these new requirements. On September 9, the contractor delivered the final version of the workbook. Due to subsequent modifications to the *Operating Procedures*, minor revisions were made the following year and the Supervisors Workbook was re-published on May 7, 1999.

1.2.4 Training Updates.

In June of 2000, the PO contracted with CAI for updates and enhancements of training materials, as follows:

1.2.4.1 Updating of the existing AcqDemo Internet tutorial, including a new graphical user interface and an expected Overall Contribution Score predictor.

1.2.4.2 Updating the existing Supervisors Workbook to reflect pending *Operating Procedures* changes.

1.2.4.3 Design and development of a Managers/Supervisors Tutorial—a one-hour Internet tutorial focusing on the special responsibilities of managers and supervisors in AcqDemo, especially counseling of employees.

1.2.4.4 Design and development of a Managers Workbook to be used by managers in training AcqDemo supervisors.

All training updates and enhancements were delivered by August 2000.

1.2.5 Other Training.

In addition to the above training planned and delivered by the contractor, other training was sponsored by the Program Office, Components, and at the local level.

1.2.5.1 The PAT delivered a series of on-site information briefings to managers, supervisors, and employees in the period prior to implementation. Similar sessions were also conducted by Components—for example, the Marine Corps supplemented PAT briefings—by activity implementation teams. Summaries of Component training activities can be found below in Chapter 2 of this section.

1.2.5.2 During the August to October 1999 period, the PO and the CCAS contractor (SRA) jointly conducted training at a number of sites for the following target audiences:

- Pay pool managers
- CCAS data maintainers
- Supervisors

1.2.5.3 All pay pool panels were required to conduct mock pay pool exercises prior to the first CCAS cycle in October 1999. Some of these were conducted with local resources alone; in other cases, the PO provided assistance and

guidance. For an excellent guide to conducting mock pay pools, see Volume III for the Edwards AFB Mock Pay Pool Exercise.

1.3 Operating Procedures

The development of demonstration project *Operating Procedures* (OP) began during the period when the first *Federal Register* notice was progressing through the approval and publication process. The *Federal Register* described the changes to title 5, whereas the *Operating Procedures* described how to implement the changes. Sections of the *Operating Procedures* were assigned to each Component for development and submission to the Program Office. The designation of subject matter responsibility was: Defense Logistics Agency for non Code of Federal Regulations (CFR) / United States Code (USC) changes; Navy for staffing and national consultation with the unions; Air Force for the System Change Request (SCR) /negotiation with OPM for Nature of Action Codes (NOACs) and Standard Form 50 (SF50) Remarks; and Army for CCAS methodology and processes. The Deputy Project Manager was responsible to bring all inputs together in order to create a cohesive document.

The structure of the document followed a “life cycle” approach in that the personnel processes and administrative steps were presented in sequential order by chapter, for ease in use as reference material.

- Chapter 1 – Introduction: the main features of the demonstration and identification of participating organizations and occupational series.
- Chapter 2 – Demonstration Project Initial Transition: the procedures for transitioning into the demonstration and the buy-in process.
- Chapter 3 – Classification System: the position classification process.
- Chapter 4 – Hiring and Appointment Authorities: new appointment authorities and the hiring flexibility permitted.
- Chapter 5 – Pay Administration: administration of pay for demo participants.
- Chapter 6 – CCAS: methodology and procedures for administering the appraisal process.
- Chapter 7 – Contribution-based Actions: the disciplinary actions to be taken based on the appraisal results.
- Chapter 8 – Realignment Initiative: (Note: This initiative was not approved so this chapter becomes a placeholder for a future initiative.)
- Chapter 9 – Academic Degree and Certificate Training: the intervention that permits participants to obtain degrees and certificates with funding provided by their organizations.

- Chapter 10 – Sabbaticals: the intervention and process for securing approval.
- Chapter 11 – Voluntary Emeritus: the intervention and process for administering the program.
- Chapter 12 – Reduction in Force Procedures: the methodology for conducting RIF.
- Chapter 13 – Movement out of the Demonstration: the provisions for pay and grade setting when exiting the demonstration individually, or when the demonstration is terminated.
- Chapter 14 – Training: the instruction required for demonstration participants at all echelons.
- Chapter 15 – Evaluation: the methodology for assessing the demonstration.

These procedures were reviewed by various activities within the Services and by their General Counsels during the approval process to ensure the procedures were in concert with the final *Federal Register*. Suggested changes and final approval came from OSD Civilian Personnel Policy. The second *Federal Register* notice incorporated all the changes made as a result of the public comment period and Program Office decisions; the *Operating Procedures* included these changes.

DOD approved the final document (see Volume III) on February 19, 1999. An amendment to the *Operating Procedures* is currently being developed to clarify a few areas.

1.3.1 Component Procedures.

The participating Components were provided a template of the OP for their use. Each had the latitude to use whatever approach they wished to provide information to the workforce.

1.3.1.1 Army: used the DOD template and published Service-unique operating procedures. Under specific paragraphs within the DOD template, Army amplified or clarified provisions. This was accomplished stylistically with either italics or shaded text. For example: DOD *Operating Procedures* paragraph “2.2.2 2. Term Appointment” is followed by a paragraph entitled “Army 2.2.2.2 Term Appointment” shaded in gray. This procedure ensured that the reader knew the source of the original instructions.

1.3.1.2 Marine Corps: followed the same procedure as the Army.

1.3.1.3 Air Force: followed the same procedure as the Army and also published a stand-alone document.

1.3.1.4 Navy and OSD (AT&L): used the DOD template exclusively without developing any procedures unique to their organizations.

1.3.2 Problems with Procedures.

Most problems were obviated by the Services developing their unique supplements. Any ambiguity or omissions were identified, discussed with the Program Office, and resolved. The most significant lingering problem was the issue of the authority of the DOD *Operating Procedures*. The DOD template, by design, used language more detailed than that in the *Federal Register*. Although the *Federal Register* is the primary authority, the DOD-approved *Operating Procedures* has the authority of a DOD manual. The *Operating Procedures* document was designed to provide guidance to meet the common need for a single demonstration project, yet allow flexibility to satisfy unique Component requirements.

1.3.3 Proposed Changes to *Federal Register* and *Operating Procedures*.

Experience in the first year of AcqDemo identified several areas in which significant changes to policies and procedures were needed. The following changes to the Federal Register notice are under discussion with OPM:

- Correct occupational series. The project plan listed two occupational series in the wrong career path, listed one series in two career paths, and omitted a series to which at least one participant is assigned.
- Allow managers the authority to offer Federal employees entering the demonstration project after initial implementation a buy-in. For employees who enter the project after initial implementation by lateral transfer, reassignment, or realignment, the project plan did not give managers authority to provide a buy-in. (A buy-in is a pro rata share of the current value of a step increase and/or non-competitive career ladder promotion increase based upon the number of weeks an employee has completed toward the next higher step or grade at the time the employee moves into the project.)

Additional Federal Register changes were being discussed within DoD.

- Make all employees in the top broadband level of their career path eligible to receive a “very high” overall contribution score (OCS). The original rule reserved “very high” scores for employees who were capped at the top of their broadband level.
- Reduce the minimum rating period under CCAS to 90 calendar days. The project plan currently requires a six-month rating period for an employee to receive a CCAS assessment.
- Consider alternative methods for determining and translating retention service credit. The project plan does not link years of retention service credit to compensation category (i.e., to whether the overall contribution score lies above, between, or below the rails).

1.4 Other Communications Activities

Other communications activities included Internet pages, newsletters, brochures, Commanders Calls, and All Hands meetings. These are listed in Chapter 2, “Component Implementation Summaries” (next) in Section B.

Chapter 2

Component Implementation Summaries

2.1 Introduction

In order to implement the demonstration project, Components must convert employees to the new system, and they must clarify procedures that will be followed in executing the approved variations from laws and regulations. By this definition, AcqDemo has been fully implemented while the Components have not yet taken advantage of every intervention. All Components have either adopted or supplemented the procedures developed by the AcqDemo Program Office. All the affected and eligible employees have been converted to the broadbanding system. They have been placed on the Position Requirements Documents (PRDs) under AcqDemo's simplified classification system, and they are being evaluated under the Contribution-based Compensation and Appraisal System (CCAS). Air Force, Army, Marine Corps, and Navy personnel were converted in February and March 1999, and have received their first payout under CCAS. USD (AT&L) employees were converted in October 1999 and will be included in the next CCAS payout cycle. Based on reports from participating units, there has been no negative impact due to staggered implementation. Furthermore, senior officials in all Components have certified that interventions were implemented accurately in accordance with the *Federal Register* notice.

The following paragraphs provide a summary by Component of AcqDemo implementation activities. The order of the main points follows the outline of the call for implementation data that was issued by the PO on February 17, 2000. Further details are provided in other parts of Section B.

2.2 Army

2.2.1 Communications and Training.

The Army has 1469 employees in 17 units participating in AcqDemo, as follows:

- RDAISA-Radford, VA
- AAESA-Ft. Belvoir, VA
- DCSOPS ADO-Washington, DC
- ASA(ALT)-Ft. Belvoir, VA
- ATEC-Alexandria, VA
- CSA/ZP-Falls Church, VA
- USACC-Korea
- DSSW-Washington, DC
- JPO for BioDef-Falls Church, VA
- MEDCOM-San Antonio, TX
- MTMC/MTAQ-Falls Church, VA
- PEO C3S-Ft. Monmouth, NJ
- PEO GCSS-Picatinny, NJ

- PEO GCSS-Warren, MI
- PEO IEWS-Ft. Monmouth, NJ
- PEO IS-Arlington, VA
- PEO STAMIS-Ft. Belvoir, VA

Note: Employees at USACC-Korea, MTMC/MTAQ, and PEO GCSS (both Picatinny and Warren) are represented by bargaining units.

2.2.1.1 Information for Managers, Employees, and HR Specialists. The Army used many forms of communication to reach managers, employees, bargaining units, and HR specialists regarding the Demo. Communications were very important to the Army leadership of AcqDemo; they reported more than 150 instances of communication from Component and local levels between May 1997 and March 1999 when the Demo was implemented. For example:

- Meetings and briefings for managers and employees
- Town Hall forums
- Newsletters and magazine articles
- E-mail messages, including weekly informational e-mails at some locations
- A series of “PersDemo Notes” providing both information and guidance to participating activities
- A web site (www.dacm.sarda.army.mil/demo)
- Special information and training sessions for the personnel teams supporting units in the AcqDemo.

2.2.1.2 Training Activities. Training activities included supervisory briefings, workforce briefings, PRD training, site historian training, CCAS training, administrative and personnel office training, and the web-based Demo tutorial. A training team went onsite at each location both in CONUS and Korea during January-February 1999, just prior to AcqDemo’s implementation. The Army developed a complete training manual for AcqDemo including both employee and managerial modules. Specific CCAS training was provided to supervisors/managers and data maintainers, including a mock pay pool exercise, just prior to the first appraisal cycle.

2.2.1.3 Operating Procedures and Manuals. The Army developed and published its own operating procedures. This was done by interleaving text shaded in gray to show the Army’s supplementation or additions to the DOD *Operating Procedures*. A good example of the supplementation is the new Chapter on Personnel Policy Boards. The Army operating procedures were originally issued June 18, 1999, and revised on April 7, 2000. Like the other participating Components, the Army experienced some problems with the application of the procedures.

2.2.2 Information Technology Support.

The Army used automation tools to support implementation of the Demo, including COREDOC, the buy-in tool, and the CCAS spreadsheets. Use of these tools was included in the Army's train-the-trainer workshops between January and March 1999.

2.2.3 Degree of Implementation.

The Army has implemented all eleven interventions, and has included them in its internal procedure manual. To date, the Army has not used either the Flexible Probationary Period or Simplified Modified RIF. Only limited use has been made of Academic and Degree Training (one case approved), Sabbaticals (one case pending approval), and Voluntary Emeritus Program (two requests approved).

The Army states that all participating Army activities implemented the demonstration project "in accordance with the *Federal Register* and the *DOD Operating Procedures*."

2.2.4 Union Participation.

Unions were notified early on, with regular discussions at the national level, as well as with the local representatives. More detail on bargaining unit participation and negotiation is included in Section B, Chapter 5 below.

2.3 Navy

2.3.1 Communications and Training.

The Navy currently has two units participating in the AcqDemo: (1) Team CX, a NAVSEA organization that combines PEO-EXW, PEO-Aircraft Carriers, and SEA-91 and (2) Navy International Programs Office (IPO). Another unit, ASN (RD&A), entered AcqDemo in February 1999, but withdrew its 89 employees in July 1999. The information below applies to Team CX and IPO only.

2.3.1.1 Information for Managers and Employees. The Navy used a variety of methods for communicating with managers and employees, beginning in 1997. These included:

- Several all-hands e-mails and briefings on AcqDemo while it was under development. The first e-mail went out in July 1997 announcing briefings on the proposed Demo project.
- Copies of the first Federal Register notice were given to all employees in March 1998, and the Operating Procedures provided by the AcqDemo Program Office were posted on the Navy's intranet in January 1999.
- In addition to the all-hands events, managers and supervisors (both military and civilian) received several briefings beginning in October 1998 on the demonstration as it was under development.

A significant amount of work was accomplished during the implementation phase by a working group made up of managers and senior staff with responsibility for

personnel and pay-related activities. This group represented all participating organizations, and was a key part of the communication process.

2.3.1.2 Training Activities. Training activities included supervisory briefings, workforce briefings, PRD training, site historian training, CCAS training, and the web-based Demo tutorial. For the most part, Navy used the training material provided by the AcqDemo PO. Navy staff also participated in the train-the-trainer sessions presented by the PO in August 1998.

An intensive round of training for managers and supervisors began in August 1999, in preparation for the first CCAS appraisal and payout cycle. This training included a session for managers, presented by the Employee Assistance Program (EAP), on counseling employees and dealing with their emotional reactions to the CCAS process. Employees were trained on how to complete the CCAS self-assessment form.

2.3.1.3 Operating Procedures and Manuals. Navy used the *Operating Procedures* published by the AcqDemo Program Office, and did not create its own. Like the other participating Components, Navy experienced problems with the application of the procedures. In addition, several issues were identified relating to apparent conflicts between the *Federal Register* and the AcqDemo *Operating Procedures*.

2.3.2 Information Technology Support.

The Navy actively participated in the development and testing of the CCAS software and used the buy-in tool provided by the AcqDemo Program Office. The Navy did not use COREDOC in preparation of PRDs. There were some problems initially with employees' access to the web-based Demo tutorial, which was placed on the Navy's intranet, but these were eventually resolved.

2.3.3 Degree of Implementation.

The Navy has fully implemented the following interventions: simplified accelerated hiring, broadbanding, CCAS, simplified classification, and academic degree and certificate training.

However, the Navy has not used the following interventions:

- Appointment Authority
- Flexible Probationary Period
- Simplified, Modified RIF
- Sabbaticals
- Voluntary Emeritus Program

The Navy will consider implementing each of these interventions, as opportunities and requirements permit.

The Navy states that all interventions were implemented in accordance with the *Federal Register*.

2.3.4 Union Participation.

Not applicable.

2.4 Marine Corps

2.4.1 Communications and Training.

The Marine Corps Systems Command (MARCORSYSCOM) is participating in AcqDemo. The participants include staff at the Command headquarters and related units located at Quantico, VA, and at the Marine Corps Tactical Systems Support Activity (MCTSSA) at Camp Pendleton, California. MARCORSYSCOM employees are not represented by a bargaining unit.

2.4.1.1 Information for Managers, Employees, and HR Specialists. The Commander established an executive steering committee and a series of planning and implementation teams to prepare for and communicate about AcqDemo. The Training and Communications Team (TCT), consisting of representatives from both Quantico and Camp Pendleton, developed a comprehensive information campaign prior to the Demo. The team's mission was to inform the entire workforce so that they could be knowledgeable in expressing their willingness or reluctance to participate in the Demo. The Commander stated at the outset that the Command would not participate without the support of the majority of employees, and a majority of employees supported participation.

The Training and Communications Team launched an aggressive information campaign, including:

- Posters
- Newsletter articles
- An internal site: <http://www.marcorsyscom.usmc.mil/aw/demo/acqdempr.htm>
- Distribution of the *Federal Register* notices
- All-hands briefings by the Commander
- Surveys of employees to assess their knowledge and opinion of the Demo.

2.4.1.2 Training Activities. Training activities included:

- Workplace training for employees, supervisors, and managers conducted by AcqDemo Program Office staff during April-June 1999 at Quantico and Camp Pendleton
- Train-the-trainer sessions presented by the Program Office in August 1999
- Supervisor and manager CCAS training conducted locally in August-October 1999, just prior to the first CCAS cycle assessment meetings
- HR office staff training conducted in October 1999.

2.4.1.3 Operating Procedures and Manuals. MARCORSYSCOM developed its own set of operating procedures, distributed them to all employees, and posted them on the internal web site. Like the other participating Components, USMC experienced some problems with the application of the PO prepared procedures.

2.4.2 Information Technology Support.

As part of the internal web site mentioned above, MARCORSYSCOM provided a Position Requirements Document (PRD) library. Staff also participated in testing and training for the CCAS spreadsheets and the buy-in tool.

2.4.3 Degree of Implementation.

MARCORSYSCOM has implemented all of the interventions, but to date has not used the following:

- Flexible Probationary Period
- Simplified, Modified RIF
- Voluntary Emeritus Program.

The probationary period and RIF features of AcqDemo have not been needed as yet. The first sabbatical was approved on March 22, 2000. There is one individual interested in the Voluntary Emeritus Program, but an agreement had not been completed at the time of this report.

MARCORSYSCOM states that all interventions were implemented in compliance with local and DOD *Operating Procedures*, and with the *Federal Register*.

2.4.4 Union Participation.

Not applicable.

2.5 Air Force

2.5.1 Communications and Training.

The Air Force has two units participating in AcqDemo: (1) The Air Force Flight Test Center (AFFTC), at Edwards AFB, California; and (2) the Office of the Assistant Secretary (Acquisition) (SAF/AQ). With approximately 2,000 employees, AFFTC entered the Demo on February 14, 1999, and SAF/AQ, with 100 employees, entered on March 28, 1999.

2.5.1.1 Information for Managers, Employees, and HR Specialists. The Air Force used a variety of methods to communicate with employees, managers, and HR specialists. These included:

- Briefing and marketing the proposed demonstration to senior leadership, beginning in 1997 through 2000.
- A series of briefings to various stakeholders, such as the Super Policy Council and the key Acquisition policy councils: PM, S&E, Contracting FM,

Computer-Info, and Logistics; servicing HR staffs, Acquisition Career Field Managers, and new General Officers/SES.

- An all-hands Commander's Call, providing an open forum for discussion of employee questions.
- At AFFTC, a variety of materials for employees and supervisors, including pamphlets, e-mail messages, newspaper articles, and a web site (www.cpf.edwards.af.mil/aqdemo/default.htm), an Employee Self-Assessment Guide, and supervisors' guides on preparing PRDs and CIPs.
- Video teleconferences with the servicing personnel team and the Senior Steering Group members.

2.5.1.2 Training Activities. Training activities included supervisory briefings, workforce briefings, PRD training, site historian training, CCAS training, and the web-based Demo tutorial. More than 1900 AFFTC employees received a mandatory 4-hour training session prior to the start of the demo. Servicing HR specialists received 12 hours of training on February 3-4, 1999, just prior to the start of AcqDemo, as well as ongoing updates on a weekly basis. Supervisor's CCAS training was conducted in April-May 1999, and again in August-September at the start of the CCAS appraisal and pay setting cycle.

2.5.1.3 Operating Procedures and Manuals. The Air Force used the *Operating Procedures* published by the AcqDemo Program Office, but created supplements including a revised procedure for use by the Air Force Personnel Center (AFPC), and a local supplement at Edwards AFB. Like the other participating Components, the Air Force experienced some problems with the application of the procedures, especially in Staffing.

2.5.2 Information Technology Support.

AFPC staff spent considerable effort (over 2,000 staff hours involving 7 persons), in dealing with and testing system changes resulting from AcqDemo. A major concern was the effects of these changes as the Modern DCPDS is implemented. Significant effort was expended in testing to assure problems do not occur. Testing of Modern DCPDS applications and monitoring of problem reports will continue until full development of the Modern DCPDS. Because the centrally provided CCAS software was not ready in time, AFFTC developed its own spreadsheets for use in the mock appraisal process. These spreadsheets were eventually modified to be consistent with those provided by AcqDemo.

2.5.3 Degree of Implementation.

The Air Force has fully implemented Simplified Accelerated Hiring, Broadbanding, CCAS, Appointment Authority, Simplified Classification, Flexible Probationary Period, and Simplified, Modified RIF.

The Air Force has not used the following interventions:

- Academic Degree and Certificate Training
- Sabbaticals
- Voluntary Emeritus Program

The Air Force has not fully pursued these interventions, and considers the lack of new funding to be a constraint on the use of academic degree and certificate training provisions.

The Air Force states that it has implemented AcqDemo “in compliance with our understanding of the *Federal Register*.”

2.5.4 Union Participation.

Unions were notified early on, with regular discussions at the national and local levels. In an effort to garner national support, the Commander, Air Force Materiel Command, met personally with the National President, AFGE (Mr. Bobby Harnage), to garner support for the demonstration. AFGE Local 1092, representing SAF/AQ employees, signed an agreement to participate in AcqDemo on March 23, 1999. Three fire department dispatchers of IAF Local F-53, Edwards AFB CA, are also participating in AcqDemo. SATCO, representing Air Traffic Controllers at Edwards AFB, declined to participate, as did the AFGE locals at the other Product Centers in Air Force Materiel Command.

2.6 USD (AT&L)

2.6.1 Communications and Training.

AT&L entered AcqDemo in October 1999, approximately eight months after the project began. The reason for delayed entry was the decision to complete RIF and other downsizing actions before joining the project. AT&L employees are not represented by a bargaining unit.

2.6.1.1 Information for Managers, Employees, and HR Specialists. AT&L used a variety of methods for communicating with managers and employees, and also with the servicing personnel specialists in Washington Headquarters Services (WHS), about the demonstration project. These methods included:

- An all-hands meeting in October 1998 conducted by Mr. David Oliver, Principal Deputy Under Secretary of Defense.
- An all-employee memorandum informing the workforce of the October 1999 implementation.
- Multiple management briefings

- Additional all-hands meetings with employees, including one in which the results of mock pay pool processes were discussed.
- An off-site meeting with Human Resources Services Center (HRSC) staff covering the specifics of AcqDemo Operating Procedures and their impact on business processes at the personnel servicing center.

2.6.1.2 Training Activities. Training activities included supervisory briefings, workforce briefings, PRD training, site historian training, CCAS training, mock pay pools, and review of panel results with panel members and employees. The primary focus of the training was on CCAS and position classification, with descriptions of the other AcqDemo interventions.

2.6.1.3 Operating Procedures and Manuals. AT&L used the *Operating Procedures* published by the AcqDemo Program Office, and did not create its own. AT&L experienced numerous problems with the application of the procedures.

2.6.2 Information Technology Support.

AT&L used the Position Requirements Document (PRD) library provided on the AcqDemo web site as part of its training in the preparation of PRDs. AT&L reported problems with the conversion software provided by the AcqDemo PO for the purpose of reassigning employees to the project. Running this software generated several types of employee and position errors, which had to be corrected manually, at a cost of staff time in the WHS servicing office.

2.6.3 Degree of Implementation.

AT&L has completely implemented the Simplified Classification and Broadbanding interventions, and is well on the way to full implementation of CCAS. The only reason CCAS is not fully implemented is that AT&L entered the AcqDemo in October 1999, and is therefore out of cycle for CCAS adjustments. This organization is on track for the next CCAS payout cycle, having conducted mock pay pools and supervisory mid-year reviews.

The Simplified Accelerated Hiring intervention has been partially implemented in that AT&L is using the expanded candidate selection process (ranking candidates by quality groups), but has not used the delegated examining authority. This authority has not been implemented because a low level of new hiring is expected, and implementation would require significant resources from the servicing personnel office.

AT&L has not used the following interventions:

- Appointment Authority
- Flexible Probationary Period
- Simplified, Modified RIF
- Academic Degree and Certificate Training
- Sabbaticals

- Voluntary Emeritus Program

AT&L would consider implementing each of these interventions, but has not had the opportunity to do so based on its size and the short time since joining AcqDemo.

AT&L states that all applicable interventions were implemented completely and accurately and in compliance with the *Federal Register*.

2.6.4 Union Participation.

Not applicable.

Chapter 3 Degree of Implementation

3.1 Overall

AcqDemo’s interventions have been implemented in that procedures were developed and, with the exception of Flexible Probationary Period, the interventions have been used in at least one participating unit. As intended by AcqDemo’s design, use of a particular intervention will depend on organizational needs and environmental conditions. For example, Simplified-Accelerated Hiring, Expanded Candidate Selection Process, Appointment Authority, and Simplified/Modified RIF have all been used on a limited basis because there has been relatively little hiring activity or major downsizing in participating organizations. There has been even less usage of some other interventions—Academic and Degree Training, Sabbaticals, and Voluntary Emeritus Program. With the exception of the Army and Navy, there has been little use of the training provision, principally because of funding constraints. Sabbaticals and Voluntary Emeritus Program participation have been even more limited to date. This is, in large part, because program administrators and line managers were concentrating on the more immediate need to implement CCAS and related interventions.

3.2 Implementation Charts

The charts below display the degree to which each Component has implemented each of the interventions.

3.2.1 Implementation of Demonstration Project Interventions.

PRIMARY INTERVENTIONS	DATE STARTED	NUMBER OF PARTICIPANTS
1. Simplified Accelerated Hiring	February 15, 1999	2061
2. Contribution-based Compensation and Appraisal System	February 14, 1999	4701*
3. Appointment Authority (Permanent, Modified Term, and Temporary Limited)	February 14, 1999	Temp = 2 Term = 12 Permanent = 52
4. Simplified Classification System	February 7, 1999	4701*
5. Academic Degree and Certificate Training	February 24, 1999	259
SECONDARY INTERVENTIONS		
6. Expanded Candidate Selection Process	February 14, 1999	58
7. Flexible Probationary Period	February 14, 1999	Not Used
8. Broadbanding	February 14, 1999	4701*
9. Simplified, Modified RIF	March 28, 1999	1939
10. Sabbaticals	February 14, 1999	2
11. Voluntary Emeritus Program	March 28, 1999	3

*Number of participants as of September 30, 1999. Totals in the Component summaries may show larger numbers because of employee changes over the year.

3.2.2 Army Implementation of Demonstration Project Interventions.

PRIMARY INTERVENTIONS	DATE STARTED	NUMBER OF PARTICIPANTS	REMARKS
1. Simplified Accelerated Hiring	March 28, 1999	Recruit Actions = 17 Declinations = 5	
2. Contribution-based Compensation and Appraisal System	March 28, 1999	1469	
3. Appointment Authority (Permanent, Modified Term, and Temporary Limited)	March 28, 1999	Temp = 2 Term = 12 Permanent = 52 Competitive = 1 Non Competitive = 3	
4. Simplified Classification System	March 28, 1999	1469	
5. Academic Degree and Certificate Trng	October 1999	20	SAAL-ZP (1) DSSW (19)
SECONDARY INTERVENTIONS			
6. Expanded Candidate Selection Process	March 28, 1999	58	ATEC (45) GCCS-W (2) CSA/ZP (11)
7. Flexible Probationary Period	March 28, 1999		Not Used
8. Broadbanding	March 28, 1999	1441	Staggered Implementation
9. Simplified, Modified RIF	March 28, 1999		N/A
10. Sabbaticals	March 28, 1999	1	Pending Approval
11. Voluntary Emeritus Program	March 28, 1999	2	1 at GCCS-W 1 at ATEC

3.2.3 Navy Implementation of Demonstration Project Interventions.

PRIMARY INTERVENTIONS	DATE STARTED	NUMBER OF PARTICIPANTS	REMARKS
1. Simplified Accelerated Hiring			Not Used
2. Contribution-based Compensation and Appraisal System	February 28, 1999	691	
3. Appointment Authority (Permanent, Modified Term, and Temporary Limited)			Not Used
4. Simplified Classification System	February 28, 1999	691	
5. Academic Degree and Certificate Training	February 28, 1999 (CX) June 1, 1999 (IPO)	171	
SECONDARY INTERVENTIONS			
6. Expanded Candidate Selection Process			Not Used
7. Flexible Probationary Period			Not Used
8. Broadbanding	February 28, 1999	691	
9. Simplified, Modified RIF			Not Used
10. Sabbaticals			Not Used
11. Voluntary Emeritus Program			Not Used

3.2.4 Marine Corps Implementation of Demonstration Project Interventions.

PRIMARY INTERVENTIONS	DATE STARTED	NUMBER OF PARTICIPANTS	REMARKS
1. Simplified Accelerated Hiring	February 15, 1999 (MARCORSYSCOM) April 5, 1999 (MCTSSA)		Process in place
2. Contribution-based Compensation and Appraisal System	February 14, 1999	572	
3. Appointment Authority (Permanent, Modified Term, and Temporary Limited)	February 14, 1999		
4. Simplified Classification System	February 7, 1999 (MARCORSYSCOM) February 14, 1999 (MCTSSA)	572	
5. Academic Degree and Certificate Training	February 24, 1999	68	
SECONDARY INTERVENTIONS			
6. Expanded Candidate Selection Process	February 16, 1999 (MARCORSYSCOM) April 5, 1999 (MCTSSA)		
7. Flexible Probationary Period			Not Used
8. Broadbanding	February 14, 1999	572	
9. Simplified, Modified RIF			No RIFs
10. Sabbaticals	February 14, 1999 (MARCORSYSCOM)	1	
11. Voluntary Emeritus Program	March 1999	1	One candidate, no final agreement (MARCORSYSCOM)

3.2.5 Air Force Implementation of Demonstration Project Interventions.

PRIMARY INTERVENTIONS	DATE STARTED	NUMBER OF PARTICIPANTS	REMARKS
1. Simplified Accelerated Hiring	February 14, 1999	2039 (All positions)	AFFTC effective February 14, 1999 SAF/AQ effective March 28, 1999
2. Contribution-based Compensation and Appraisal System	February 14, 1999	2039 (All positions eligible)	AFFTC effective February 14, 1999 SAF/AQ effective March 28, 1999
3. Appointment Authority (Permanent, Modified Term, and Temporary Limited)	February 14, 1999	2039 (All positions)	AFFTC effective February 14, 1999 SAF/AQ effective March 28, 1999
4. Simplified Classification System	February 14, 1999	2039 (All positions)	AFFTC effective February 14, 1999 SAF/AQ effective March 28, 1999
5. Academic Degree and Certificate Training			Have not pursued this intervention. Unavailability of local funds is an inhibitor.
SECONDARY INTERVENTIONS			
6. Expanded Candidate Selection Process	February 14, 1999	2039 (All positions eligible)	AFFTC effective February 14, 1999 SAF/AQ effective March 28, 1999
7. Flexible Probationary Period	February 14, 1999	1395 (All NH positions eligible)	AFFTC effective February 14, 1999 SAF/AQ effective March 28, 1999
8. Broadbanding	February 14, 1999	2039	AFFTC effective February 14, 1999 SAF/AQ effective March 28, 1999
9. Simplified, Modified RIF	June 15, 1999	1939 (Eligibles)	Edwards AFB only
10. Sabbaticals		2039 (Eligibles)	Have not pursued this intervention
11. Voluntary Emeritus Program		1395 (All NH positions eligible)	Have not pursued this intervention

3.2.6 USD (AT&L) Implementation of Demonstration Project Interventions.

PRIMARY INTERVENTIONS	DATE STARTED	NUMBER OF PARTICIPANTS	REMARKS
1. Simplified Accelerated Hiring	October 10, 1999		Partially implemented, using expanded candidate selection process
2. Contribution-based Compensation and Appraisal System	October 10, 1999	253	
3. Appointment Authority (Permanent, Modified Term, and Temporary Limited)			Not Used
4. Simplified Classification System	October 10, 1999	253	
5. Academic Degree and Certificate Training	October 10, 1999		Not Used
SECONDARY INTERVENTIONS			
6. Expanded Candidate Selection Process	October 10, 1999		Partially implemented
7. Flexible Probationary Period			Not Used
8. Broadbanding	October 10, 1999	253	Fully implemented, created larger candidate pool for positions, more flexibility in recruitment and pay setting process
9. Simplified, Modified RIF			Not Used
10. Sabbaticals			Not Used
11. Voluntary Emeritus Program			Not Used

Chapter 4

Information Technology Support

4.1 Overview

The intent to take the fullest advantage of information technology has been an AcqDemo feature since the earliest planning for this demonstration project. Major information technology initiatives include CCAS software, use of Internet sites to provide information to organizations and participants, and COREDOC support—in addition to digital site historian logs, web-based training, and other methods of distance learning.

4.2 CCAS Software

The AcqDemo Process Action Team knew that administering the Contribution-based Compensation and Appraisal System would require software support for managers. CCAS involves a number of fairly complex computations and imposes four different types of pay caps. It also recognizes a number of special cases such as retained pay and presumptive ratings. Ensuring that the rules were followed and that the rating and pay setting processes were applied consistently across pay pools provided additional incentive for the PAT to provide software to support CCAS.

The PAT also recognized that the Air Force Research Laboratory (AFRL) Contribution-based Compensation System was similar to CCAS, and that the Air Force had recently used a Microsoft Access software application to administer its first rating cycle. The PAT contacted SRA International, AFRL's support contractor, for several demonstrations of the Air Force software. AFRL reorganized as its first cycle ended, splitting many of its pay pools across several geographic locations. To better accommodate the dispersion in locations, AFRL began planning to rewrite its support software as an Oracle application running on the web. The PAT recognized the advantages of centralized software and data with access from anywhere over the web and decided to leverage AFRL's rewriting of its software by developing its own web-based Oracle application. SRA began both software development efforts in April of 1998. Both AFRL and the AcqDemo PAT planned to host their software on government sites, procuring the servers and Oracle licenses as necessary.

The Oracle application was designed to have six main modules:

- Data maintenance - add, delete, and modify employee records
- Employee appraisal - assign preliminary factor scores and write supporting comments
- Managers meeting - group review of preliminary factor scores and assignment of final scores
- Appraisal approval - manager review of score statistics and approve or disapprove

- Compensation - pay pool manager assignment of general increases, contribution rating increases, and contribution awards
- Reports - printing of summaries, statistics, and appraisal forms

AFRL successfully fielded and used its version of the Oracle application for their second rating cycle, October through September of 1998.

In late winter and early spring of 1999, the AcqDemo Program Office met with several organizations that could potentially host its Oracle application. The Program Office was short of funding for the required servers and Oracle licenses, so it had trouble reaching agreement with any of the potential hosts and began to search for alternatives. SRA proposed an interim solution for the first year: a series of spreadsheets and a web site to pass data files between a help desk and the pay pools. The Program Office approved SRA's proposal on June 21, 1999.

To replace the Oracle application prior to the first AcqDemo contribution assessment and pay adjustment cycle, the spreadsheets had to be quickly designed, tested, and fielded by October 1, 1999. Also, a set of separate pay pool files had to be constructed to replace the central database that would have resided in Oracle. In all, six separate spreadsheets were developed, some going through many versions before being released to the field. The spreadsheets and their functions were as follows:

1. Data Input – Used to build the initial data file for each pay pool.
2. Master – Used to review personnel data and to generate individual managers meeting files.
3. Managers Meeting – Used to assign category and numerical contribution scores and review score distributions.
4. Interim Compensation – Used to consolidate the results of multiple managers meetings and compare the score distributions.
5. Final Compensation – Used to assign contribution-based pay increases and awards and to generate reports and employee feedback forms.
6. Dead Zone – Used to record gains, losses, and promotions occurring between the end of the rating cycle and the start of the first pay period in January.

The spreadsheets were distributed to the pay pools via a website (acqdemo.com) maintained by another contractor (Commputerations Inc.). The website was also used to pass secure data files between the pay pools and SRA. Throughout the three-month appraisal processing period (October – December 1999), SRA maintained both telephone and electronic help desks to assist users with the spreadsheets and the data maintenance process. Because the process was pieced together, with little testing or training, the help desks were very busy.

Even though most pay pools were finished with their scoring and preliminary pay setting by early December, the process could not be completed until the Executive Order setting the general pay increase for CY 2000 was signed by the President. This did not occur until December 21st. At this point some of the pay pool managers and database maintainers were on leave for the holidays, which made it difficult to get the final salary adjustments and awards processed in time for the first pay check in January.

Once all of the pay pool data files were finalized in early January 2000, SRA consolidated the information and created the Personnel Transaction Indicators (PTIs) necessary to update the master personnel records in the Defense Civilian Personnel Data System (DCPDS). The PTIs were then distributed to the appropriate servicing Civilian Personnel Offices (CPOs) for upload to DCPDS. DCPDS documented the appraisal scores, pay adjustments, and contribution awards. It then electronically passed the necessary information to the payroll system to generate paychecks and awards at the new rates for the scheduled January payday.

After employees received their new paychecks, a few errors were detected. The errors were caused by a number of factors including incorrect entry of data into the spreadsheets, data not matching DCPDS (name changes), and functionality missing within DCPDS (system changes that were either not anticipated or that were not accomplished). The errors were corrected in DCPDS by the servicing CPOs, and the employees subsequently received appropriate adjustments to their pay.

The interim spreadsheet software approach was successful in getting the 46 AcqDemo pay pools through the first appraisal and compensation cycle. However, feedback from the users indicated that they found the process complex, tedious, and frustrating. They were especially frustrated with the plethora of Microsoft Excel and data files that had to be downloaded, stored, manipulated, catalogued, and uploaded. They were also unhappy with their lack of ability to control the data in the spreadsheets, and the amount of interaction they had to have with SRA every time a change was required.

Because of these concerns, the software approach for the second cycle will involve only one spreadsheet for all scoring and pay setting, and a local Microsoft Access database in which changes can be directly entered by the pay pool database maintainer.

4.3 AcqDemo Internet Site

The Process Action Team relied heavily upon use of a web site to provide information to participating organizations and individuals; the PO has further developed this capability and plans to expand and refine Internet use in the next year.

Initially, the Defense Logistics Agency hosted the demonstration tutorials on their website while the Air Force hosted the main web site out of Wright Patterson AFB, OH. That responsibility was subsequently assumed by the Office of the Secretary of Defense (<http://www.acq.osd.mil/awpd/index.html>) and a contractor, Commputercations Inc. The home page for the demonstration project is currently found at https://apps.rdaisa.army.mil/acqdemo/new_site/default.cfm.

Presently the web site provides information in the following areas:

- CCAS spreadsheets
- Recent AcqDemo news and upcoming events
- Training, including a web-based tutorial and downloadable Supervisors Workbook.
- Evaluation Plan
- Federal Register
- Operating Procedures
- CCAS Appraisal Forms
- Site Historian information and electronic logs
- Frequently Asked Questions (FAQ)
- Participants may also provide electronic feedback through the Internet site.

A major re-design of the web site is pending and may be completed by the final date of this report.

In addition to the AcqDemo web site, several Components and organizations have established their own Internet or intranet sites with links to participating organizations. Further information is available in the Component implementation summaries in Chapter 2 of this section.

4.4 COREDOC

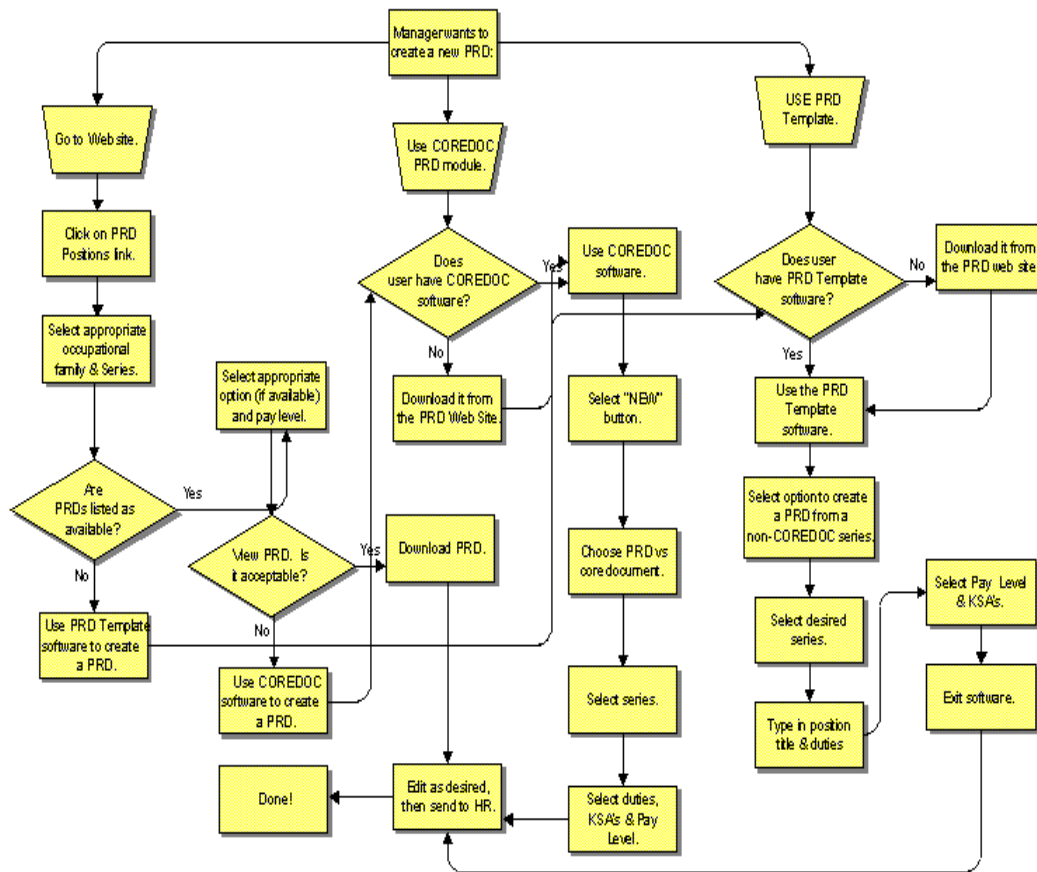
AcqDemo uses standardized Position Requirements Documents (PRDs) instead of Position Descriptions in use elsewhere in the federal government. A major feature of the demonstration project, PRDs link directly to CCAS appraisals, using the same six factors to describe the position.

To simplify this process, an especially modified version of the Department of Defense (DOD) Automated Core Document Program (COREDOC) was developed to assist managers and personnelists in producing PRDs. COREDOC software is available for downloading and use on individual PCs. In addition, a library of standardized PRDs was developed and made available for download. Finally, PRD Template software was created (ACQBUILD.EXE) to help organizations produce a PRD for any occupation not included in the COREDOC occupational library.

COREDOC software, ACQBUILD.EXE, and the PRD library are available on the Internet at https://apps.rdaisa.army.mil/acqdemo/new_site/default.cfm

The diagram below illustrates the PRD development process.

Position Requirements Document Process Flow Diagram



4.5 Other Information Technology Initiatives

4.5.1 Defense Civilian Personnel Data System (DCPDS) Changes.

An important development in IT support for AcqDemo was the DCPDS System Change Request (SCR). This document was created by a PAT subteam led by the Air Force. Team members spent many hours over several months working out the details so that the traditional personnel data system could be made to handle the unique features of AcqDemo. The team defined requirements for both the legacy system and the modern system, requesting data element changes such as Nature of Action Codes (NOACs), Pay Plans, Location Codes, and SF-50 remarks. New NOACs and remarks had to be negotiated and authorized by OPM. These changes also affected Service-specific systems used by Navy, Army, and Air Force.

The result of these efforts is a tool that streamlines personnel processing for the appraisal cycle by automatically generating updates to appraisal scores in DCPDS and documenting pay and awards in official personnel folders.

4.5.2 Site History Logs.

AcqDemo site history logs are fully digital. They are downloaded at the end of each quarter from the AcqDemo Internet site as a pre-formatted Microsoft Access database, filled out, and e-mailed to the evaluation contractor. For further details, see Section D, Chapter 1.

4.5.3 Training.

Much of AcqDemo training has been traditional platform instruction—especially prior to implementation. The PO, however, is increasing its use of information technology and distance learning approaches for delivering training.

Even prior to implementation, an Internet-based introductory tutorial was developed and made available to all participants. A Supervisors Workbook, to be used by supervisors in conducting face-to-face training sessions with employees, was also created and made available for download through the web.

For the next cycle, the tutorial and the Supervisors Workbook were updated to reflect changes since implementation. In addition, a Managers/Supervisors Tutorial—focusing on the unique AcqDemo responsibilities of managers and supervisors—was in development, along with a Managers Workbook to be used in training new supervisors. All new and revised training materials were available via the Internet by late August 2000.

Chapter 5

Employees and Unions

Section B, Chapter 1, and the individual Service Component implementation summaries describe generally the communications and training directed to employees before and during the implementation of AcqDemo. This section, however, addresses more directly the actual involvement of employees and unions in the development and implementation stages.

5.1 Employees

There were several levels of organizational effort to involve employees in AcqDemo, including actions taken by the Process Action Team—later the AcqDemo Program Office—by the Services/Components at headquarters level and at the local level. These are summarized below.

5.1.1 PAT and AcqDemo Program Office Activities.

In addition to the extensive communication and training activities, the PAT/PO involved employees by:

- Publishing the *Federal Register* notice in March 1998, receiving and considering comments from the general public and employees potentially affected by AcqDemo. Many individuals provided comments on the first *Federal Register* notice during the 60-day public comment period.
- Holding three public hearings in three different locations. A total of 37 individuals presented oral comments at these hearings.

All of these comments were carefully considered, and some changes were made to the program by means of the second *Federal Register* notice issued in January 1999.

Employees were also involved in the pre-implementation activity by their participation in the initial/baseline attitude survey, which was conducted in the summer of 1998. The results of this survey are described in Section D of this report.

5.1.2 Service- and Component-level Activities.

Led by the PAT, each Component engaged in an extensive effort to inform managers and employees about the proposed AcqDemo project and its main features. There were several marketing campaigns to encourage acquisition organizations to participate. Some organizations involved their employees in the actual decision-making process. For example:

- The Commander of the Marine Corps Systems Command (MARCORSYSCOM) stated that he would decide to join AcqDemo only if a majority of employees voted to do so. He launched (and funded) an intensive information campaign to ensure that employees understood the features and likely effects of the Demo

before they were asked to vote. MARCORSSYSCOM also created employee teams to facilitate input to the command and to work on pre-implementation actions. These teams included Coordination, Policy, and Procedures; Training and Communications; Broadbanding, Classification and Staffing; CCAS; and Demo Project Budget. These efforts culminated in a favorable vote in May 1998. This was more than a simple yes-no vote, however; employees received an e-mail survey asking a number of questions as to their knowledge and expectations for AcqDemo. MARCORSSYSCOM employees are not represented by a bargaining unit.

- The Army Corps of Engineers, on the other hand, used a team made up of both managers and employees to evaluate the Demo and make a recommendation for or against joining AcqDemo. The team's recommendation, and management's decision, was not to participate.

Once the Demo was underway, the PAT and Components continued to engage employees through measures such as Pentagon-wide and Service-led employee forums, all-employee e-mail messages, and websites inviting employee comments and questions.

5.1.3 Command and Installation-Level Activities.

In addition to the briefings, newsletters, websites, and e-mails described elsewhere in the report, several Services used implementation teams with some employee involvement. The Marine Corps teams listed above were established both at Quantico and Camp Pendleton. Air Force initially used an implementation team with managers and senior staff, then later invited all employees to participate in developing procedures for academic/degree training, sabbaticals, and the Voluntary Emeritus program. Navy (NAVSEA) had only managers on its implementation team. Army had implementation teams at all locations with many teams comprised of senior staff, managers, employees and CPO participation.

5.2 National Unions

5.2.1 National Union Involvement.

From day one, AcqDemo Process Action Team began open discussions with representatives from each major union having employees potentially targeted to participate in the project. Labor Relations experts from each Component were consulted in arriving at a mutual approach to discussions on how demonstration initiatives would be proposed, reviewed, and negotiated with the unions. On February 21, 1997, the first meeting with HQ representatives from AFGE, NFFE, NAGE, and IAM was held. The purpose was to invite discussions with the unions on how the Demo could be developed with union input without having to arrange for participation from each of the hundreds of bargaining units targeted for participation. Since this was a multi-Component "purple" demo, and Components had no obligation or legal right to bargain, discussions held with the unions were not designated as "formal bargaining."

During the two years of development, the PAT met regularly with national union officials. Fifteen separate discussion meetings were held from February 1997 through

August 1998. Nearly all recommendations made by the major unions during this period were adopted and added to the final language of the *Federal Register* draft. Every initiative developed by a working group was presented to the national unions with opportunity for questions, discussions, and modification. Trade-off positions were developed in hopes that national unions would support AcqDemo and recommend participation by local units. It was emphasized that the main Demo initiatives provided an opportunity for employees to earn more for doing more in their jobs. The trade-off in return was greater accountability for contribution and results. While management was responsible for determining this contribution, unions would be invited to participate in reaching final decisions.

5.2.2 Local Union Involvement.

Components were free to decide how to involve unions at local levels. Employees selected to work on development teams were told that union representation was encouraged as long as the representatives understood that actual bargaining on the project would have to wait until the project was developed. Some working groups that developed new AcqDemo initiatives had bargaining unit members participating; some did not. National unions were informed of the teams established and invited to encourage local participation of their members. Local involvement of unions was required to fulfill partnership obligations. Participants on the 3 IPT developmental teams were required to share their IPT's progress with their local union officials and solicit their comments and recommendations for the IPT to consider in their following meetings. This was to occur throughout the development process. Also, there was wide use of e-mail in lieu of meeting.

5.2.3 Results.

The AFGE, as lead union during the discussions, formally opposed AcqDemo. (A copy of the AFGE letter stating its opposition and explaining its rationale is provided in Volume III.) Of the targeted participating population in acquisition organizations, the vast majority had bargaining units that declined to participate. Over 65 percent were AFGE units. Only three AFGE bargaining units eventually agreed to join the project. As a result, instead of a population of 65,000 acquisition employees joining AcqDemo, only about 5,000 employees were eventually converted.

5.2.4 Key Provisions of Union Agreements.

The principal features of the union agreements reached by AcqDemo participating organizations are shown in the table below.

Service	Location	Union Local	Key Provisions
Air Force	SAF/AQ	AFGE Local 1092	<ul style="list-style-type: none"> Agreement to participate and to follow the <i>Federal Register</i> and <i>Operating Procedures</i>
Air Force	AFFTC	IAFF Local F-53	<ul style="list-style-type: none"> Did not reply which constitutes agreement to participate
Army	MTMC – Falls Church, VA	AFGE 909/2	<ul style="list-style-type: none"> Union representative on Personnel Policy Board Union representative on Pay Pool Panel
Army	PEO-GCSS Warren, MI	AFGE 1658	<ul style="list-style-type: none"> Union review of pay pool panel’s procedures, rationale, and decisions, and union input, prior to pay and awards distribution All employees receive GPI first year Total funding level will not decrease each year, although distribution between CRI and CA may change <ul style="list-style-type: none"> – CRI to be 2.5% first year, 2.0% second year – CA to be 3.0% each year, and 100% allocated
Army	PEO-GCSS Picatinny, NJ	NFFE 1437	<ul style="list-style-type: none"> Union representative on Personnel Policy Board Procedure for notifying employees in advance of unacceptable contribution score No one will be denied GPI first year PP Board must approve any denial of GPI
Army	USACC* Korea	NFFE 1363	<ul style="list-style-type: none"> Individual employees may enter Demo at their own discretion Vacancies to be filled as Demo positions All employees to receive GPI for the life of the Demo

* Not approved by AcqDemo PO

Chapter 1

Evaluation Planning Process

1.1 Overview

Public law¹ requires evaluation of all approved demonstration projects to “measure the impact of the project results in relation to its objectives and to determine whether or not permanent changes in law and/or regulation should be considered or proposed.”² Specific procedures for conducting evaluations are provided in OPM’s Evaluation Handbook.

1.1.1 History of AcqDemo Evaluation Planning.

As originally envisioned in development of this demonstration project, an external evaluation would be planned and conducted by OPM’s Personnel Resources and Development Center (PRDC). To that end, the Process Action Team and PRDC developed an outline evaluation plan. This plan was described in the first and second *Federal Register* notices and the *AcqDemo Operating Procedures*—respectively in Chapter 15 and Appendix L (see Volume III of this report). The Office of Merit Systems Oversight and Effectiveness, OPM; the Office of the Secretary of Defense (Acquisition & Technology); and the Office of the Deputy Assistant Secretary of Defense (Civilian Personnel Policy) would provide oversight of the evaluation process.

However, because of delays in funding additional evaluation planning and implementation, PRDC notified the PAT in October 1998 that it would be unable to continue with AcqDemo evaluation. As a result, the PAT contracted with Cubic Applications, Inc. (CAI) in April 1999 to conduct a front-end analysis (FEA) of the existing evaluation plan and the demonstration project as a whole. This analysis assessed the following areas:

- The statutory and regulatory requirements for project evaluation.
- The objectives of the various levels of evaluation.
- Progress to date by PRDC, as well as a top-line examination of any data already collected by OPM.
- The main evaluation tools and processes to be used.
- The principal standards and procedures.

¹ 5 USC 4703.

² 5 CFR 470.317 (b).

- The appropriate methods and timelines for the baseline, formative, and summative evaluations.
- The measurement and interpretation of demonstration project effects on people, organizations, costs, and business processes—both qualitative and quantitative.
- The filtering in and out of external factors affecting the results of the demonstration.
- The selection of site historians, as well as operating procedures.

The front-end analysis included a draft evaluation plan to be reviewed by the Program Office and submitted through DOD to OPM. The FEA also included a technical implementation plan (TIP)—in the form of a Microsoft Project schedule—which delineated the “who, what, where, when, why, and how” necessary to accomplish evaluation milestones. The FEA and TIP were delivered to the PAT on June 4, 1999, with a final, revised *Evaluation Plan* delivered on June 14.

1.1.2 Approval by OPM.

The final *Evaluation Plan* (Appendix A) was submitted by the PAT to OPM on June 14th, 1999, and approved by OPM in a letter dated July 22, 1999. The plan was commended as “an excellent document” to be used “as a model for future evaluation plans”; the crosswalk of research questions, measures, data sources, and analyses was also praised.³ A copy of the OPM letter of approval is included in Volume III.

1.2 Evaluation Models

OPM’s Evaluation Handbook permits the use of a quasi-experimental evaluation design that incorporates baseline data, a Comparison Group, and longitudinal data collection and evaluation. This is the evaluation approach selected for AcqDemo and incorporated in the *Evaluation Plan*.

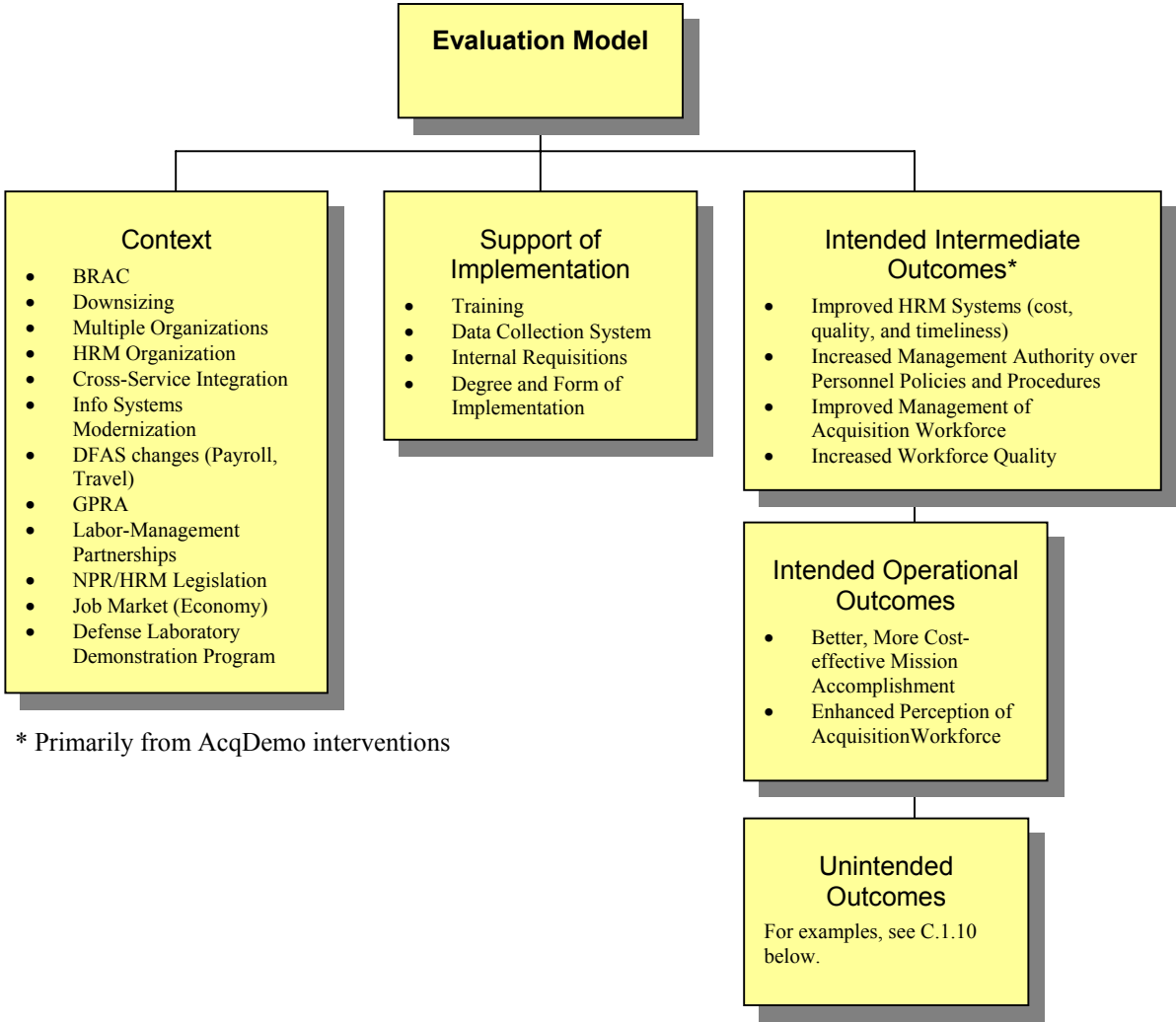
The quasi-experimental approach for AcqDemo evaluation is enhanced through the use of four models:

- Evaluation Model
- Expanded Intervention Impact Model
- Organizational Effectiveness Model
- Cost Analysis Model.

³ Office of Personnel Management Letter, “Approval of AcqDemo Evaluation Plan,” July 22, 1999.

1.2.1 Evaluation Model.

The Evaluation Model (revised for this report) links the context within which AcqDemo is implemented and implementation support to intended and unintended outcomes. See Section D for a discussion of activities, outputs, outcomes, and results.



* Primarily from AcqDemo interventions

1.2.2 Expanded Intervention Impact Model.

The *Federal Register* notices identified the experimental interventions, their expected effects, suggested measures, and data sources. The AcqDemo *Evaluation Plan* expanded and refined those relationships in the following model, dividing demonstration project interventions into two categories: primary and secondary. While all interventions are important, primary interventions will receive the most emphasis in both data collection and analysis.

PRIMARY INTERVENTIONS	EXPECTED EFFECTS	MEASURES	DATA SOURCES
1. Simplified Accelerated Hiring	A. Improved ease of hiring process	i. Perceived flexibility in authority to hire	a. Attitude survey, Focus Groups
	B. Improved recruitment	i. Offer/acceptance ratios	a. Personnel Office data: Offer/Acceptance Ratios
		ii. Percent declinations	a. Personnel Office data: % Declinations
	C. Increased quality of new hires	i. Experience, education, skills	a. Attitude survey, PO Data
D. Reduced administrative workload/paperwork reduction	i. Actual/perceived time savings	a. Personnel Office data: Classification and Hiring Timeliness b. Attitude survey	
2. Contribution-based Compensation and Appraisal System			
I. Contribution-based pay Progression	A. Increased pay-contribution link	i. Pay-contribution correlation	a. Attitude survey b. CCAS data
		ii. Perceived pay-contribution link	a. Attitude survey
		iii. Perceived fairness of ratings	a. Attitude survey
		iv. Satisfaction with ratings	a. Attitude survey
		v. Employees trust in supervisors	a. Attitude survey
vi. Pay progression by contribution assessment		a. Workforce data	
B. Improved contribution feedback	i. Adequacy of contribution feedback	a. Attitude survey	
C. Increased retention of high contributors	i. Turnover by contribution assessment	a. Workforce data	
D. Increased turnover of low contributors	i. Turnover by contribution assessment	a. Workforce data,	
II. Cash awards/bonuses	A. Reward contribution	i. Amount and number of awards by career path, demographics, and contribution	a. Attitude survey b. Workforce data
		ii. Perceived fairness of awards	a. Attitude survey
3. Appointment Authority (Permanent, Modified Term, and Temporary Limited)			
A. Increased capability to expand and contract workforce		i. Number/percentage of contingent employees	a. Workforce data
		ii. Number/percentage of conversions from modified term to permanent appointments	a. Workforce data b. Personnel Office data
		iii. Average length of employment (contingent hires)	a. Workforce data b. Personnel Office data
B. Reduced administrative workload		i. Actual/perceived time savings	a. Attitude survey b. Personnel Office data: Classification and Hiring Timeliness
4. Simplified Classification System			
A. Simplified/automated classification procedures		i. Perceived flexibility	a. Attitude survey
		ii. Fewer position requirements documents	a. Workforce data b. Personnel Office data: Length of PDs
B. Reduced administrative workload/paperwork reduction		i. Actual/perceived time savings	a. Personnel Office data: Classification Timeliness b. Attitude survey

PRIMARY INTERVENTIONS	EXPECTED EFFECTS	MEASURES	DATA SOURCES
5. Academic Degree and Certificate Training	A. Increased employee career progression	i. Demographics of affected employees ii. Employee/management satisfaction	a. Workforce data a. Attitude survey
	B. Increased capability/flexibility for workforce shaping	i. Perceived flexibility	a. Attitude survey

SECONDARY INTERVENTIONS	EXPECTED EFFECTS	MEASURES	DATA SOURCES
6. Expanded Candidate Selection Process	A. Flexibility in recruitment	i. Perceived flexibility ii. Number/percentage of employees hired beyond high 3	a. Attitude survey a. Workforce data, PO Data
	B. Increased quality of new hires	i. Employee effectiveness ii. Experience, education, skills	a. Attitude survey a. Attitude survey, PO Data
7. Flexible Probationary Period	A. Expanded employee assessment period	i. Average conversion period to permanent status	a. Workforce data b. Personnel Office data
		ii. Number/percentage of employees completing probationary period	a. Workforce data b. Personnel Office data
		iii. Number of separations during probationary period	a. Workforce data
8. Broadbanding	A. Increased organizational flexibility	i. Perceived flexibility	a. Attitude survey
	B. Reduced administrative workload/paperwork reduction	i. Actual/perceived time savings	a. Personnel Office data: Length of PDs b. Attitude survey
	C. Higher starting salaries	i. Starting salaries of banded vs. non-banded employees	a. Workforce data
	D. More gradual pay progression at entry level	i. Progression of new hires over time by band and career path	a. Workforce data
	E. Increased pay potential	i. Mean salaries by band, career path, demographics	a. Workforce data
	F. Higher average salary	i. Total payroll cost	a. Workforce data
	G. Increased satisfaction with advancement	i. Employees' perception of advancement	a. Attitude survey
	H. Increased pay satisfaction	i. Pay satisfaction, internal/ external equity	a. Attitude survey
9. Simplified Modified RIF	A. Prevent loss of high contribution employees with needed skills	i. Separate employees by demographics, contribution	a. Workforce data b. Attitude survey/Focus Groups
		ii. Satisfaction with RIF process	a. Personnel Office data
	B. Contain cost and disruption	i. Number of employees affected by RIF ii. Time to conduct RIF iii. Number of appeals/reinstatements	a. Personnel Office data a. Personnel Office data a. Personnel Office data
10. Sabbaticals	A. Increased employee career progression	i. Demographics of affected employees ii. Employee/management satisfaction	a. Workforce data a. Attitude survey
	B. Increased capability/flexibility for workforce shaping	i. Perceived flexibility	a. Attitude survey
11. Voluntary Emeritus Program	A. Encourages retirees to mentor junior professionals	i. Frequency of use and cost	a. Workforce data b. Personnel Office data

1.2.3 Organizational Effectiveness Model

Evaluations are required to assess “the impact of the demonstration project on Government Performance and Results Act (GPRA) issues such as organizational effectiveness and productivity and mission accomplishment.”⁴ This is without question the most problematic aspect of the evaluation, especially in a demonstration project as large, diverse, and geographically dispersed as AcqDemo. While customer satisfaction may be a promising measure to assess mission accomplishment and organizational effectiveness, the AcqDemo has not yet settled on the specifics of measurement. This is not an issue peculiar to AcqDemo; in fact according to OPM, no demonstration project has yet done such an assessment satisfactorily.

Senior DoD acquisition community leaders have recognized the difficulty in selecting meaningful measures of merit for organizational effectiveness and customer satisfaction, especially in a project with many organizations. Each organization has multiple layers of missions, goals, and customers without commonality across the Components. The broad GPRA measures and reporting offer little help in assessing specific impacts of the project on organizational results. Moreover, the identification of the customer remains problematical since there are so many customers at so many levels of the organizations. In March 2000, the USD(AT&L) charged the PO with rethinking this metric in order to discern useful measures at the right level of analysis. Following an August 2000 workshop on this subject, the PO has examined a multi-pronged, balanced scorecard approach to organizational effectiveness and customer satisfaction. See Section D-1-8 for a fuller discussion, as well as Section E “Preliminary Findings and Concerns.”

⁴ Office of Personnel Management, *Demonstration Projects Evaluation Handbook*, May 1998, p. 9.

The PO has used the following model as a conceptual approach to measuring and analyzing organizational effectiveness:

<p>Baseline Effectiveness Measures:</p> <ul style="list-style-type: none"> • Perceived Effectiveness • Workforce Quality: <ul style="list-style-type: none"> - Turnover by Contribution Region - Education Level - Scholastic Achievement - Source of New Hires - Ease/speed of hiring - Perceived Quality • Customer Satisfaction (to the extent data are available) • Employee Satisfaction <p>Data Needed:</p> <ul style="list-style-type: none"> • Workforce Data as of End of CY 1998, with January 1999 pay adjustments. • Baseline Attitude Survey Results • Any existing Customer Survey data. 	<p>Interventions: (1999-2003)</p> <ul style="list-style-type: none"> • Hiring • CCAS • Appointment Authority • Classification • Degree and Certificate Training • Other 	<p>Future Effectiveness Measures:</p> <ul style="list-style-type: none"> • Perceived Effectiveness • Workforce Quality: <ul style="list-style-type: none"> - Turnover by Contribution Region - Education Level - Scholastic Achievement - Source of New Hires - Ease/speed of hiring - Perceived Quality • Customer Satisfaction (to the extent already available) • Employee Satisfaction <p>Data Needed:</p> <ul style="list-style-type: none"> • Annually, January 2000-2003 for Baseline, Interim, and Annual Reports • January 2004 for Summative Report due May 2004. 	<p>Data Sources</p> <ul style="list-style-type: none"> • Existing Customer Surveys • Attitude Survey Questions on Organizational Effectiveness and Mission Accomplishment • Workforce Data • Focus Groups • Site Historian Logs • Personnel Office data <p>Data to be compared longitudinally; with Comparison Groups; and with other demonstration projects (to the extent possible).</p>
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- Has the demonstration project been implemented in a competitive or non-competitive labor market, and what have the effects of this labor market been? Geographical differences will be considered.
- How have the various participating Services and organizations (culture, support, procedures, etc.) affected the demonstration project?
- What is the impact of labor management obligations on the demonstration project and its coverage?
- To what extent have budget constraints limited implementation of the demonstration interventions?
- What uncontrollable events at the federal, Service, or local level have had an important effect on the implementation and operation of the demonstration project?

1.3.2 Implementation.

The following are examples of implementation questions.

- How well informed are managers and employees about the features of the demonstration project?
- To what extent has the demonstration project been funded (start-up and training costs)?
- Were information technology systems in place to support implementation?
- Have all the interventions been implemented accurately and as intended?
- What impact, if any, has staggered implementation had (e.g., perceptions of fairness or equity)?
- Have all anticipated employees been included?
- Has implementation been a participatory process?
- Have operating procedures or their interpretation hindered/promoted implementation?

1.3.3 Intended Outcomes.

The following are examples of questions about expected positive outcomes.

- Has managerial authority over HR functions been increased without adversely affecting perceptions of fairness?

- Has the HR system become more flexible and responsive to organizational needs?
- Has the quality of new hires improved?
- Do employees see a stronger link between pay and contribution, and has turnover been reduced among high contributors and increased among low contributors?
- How successful has management been in controlling salary costs under broadbanding, and what are the costs and benefits?
- Have organizational effectiveness and mission accomplishment improved?
- Can successful interventions be expanded to cover the rest of the DOD or Federal workforce?

1.3.4 Unintended Outcomes.

Although unintended outcomes can be positive as well as negative, we have illustrated some examples of questions about potential negative outcomes.

- Do the costs of the project outweigh the benefits?
- Has increased managerial authority over HR resulted in employee perceptions of unfairness?
- Are there increased incidents of prohibited personnel practices?
- Has turnover of high-contribution employees increased? Has turnover of low-contribution employees decreased?
- Has any group been adversely affected by any of the interventions, including any misapplication of the interventions that may have resulted in violations of merit systems principles and use of prohibited personnel practices?
- What, if any, have been the effects upon veterans and protected groups of employees and applicants?

1.4 Comparison Group

The quasi-experimental approach requires a Comparison Group as similar as possible to the demonstration project group. Moreover, baseline measurement of both groups is critical.⁵ For these reasons, it was decided early in the evaluation planning process that the Comparison Group would be chosen from among those organizations that were listed as potential participants in the

⁵ Office of Personnel Management, *Demonstration Projects Evaluation Handbook*, May 1998, p. 7.

first *Federal Register* notice: these organizations were also part of the acquisition workforce and had completed the 1998 baseline attitude survey.

In any event, determination of a Comparison Group became problematic as the *Evaluation Plan* was being finalized in the late spring of 1999. None of the organizations that met the criteria initially agreed to act as a Comparison Group. This was because some of them were considering joining the demonstration project at a later date, which could leave AcqDemo without a Comparison Group just as the evaluation neared fruition. Furthermore, some organizations that did not plan to join the demonstration were reluctant to take on what were seen as the additional burdens of being a Comparison Group.

Various alternatives were proposed and considered, including use of a passive constructive Comparison Group and deferring selection of a Comparison Group until final decisions on joining AcqDemo had been made. However, in discussions with the evaluation team and the Program Office, OPM emphasized the importance of having a live Comparison Group from the outset of the evaluation.

Working through the Program Office and the Executive Council, the evaluation team succeeded in identifying a Comparison Group at Eglin Air Force Base in Florida: the Air Armaments Center (AAC). The AAC participation will include:

- Participation in two attitude surveys
- Provision of a site historian
- Possible Focus Groups if required.
- Personnel Office data similar to that collected for participating organizations.

Other Comparison Group Data will be collected without imposing additional burdens on the Comparison Group. For example, we will include workforce data on the Comparison Group gathered from DMDC data files.

Comparison Group Characteristics (as of December 1998).

Characteristic	Total
Total Population in Comparison Group	1328
Percent of supervisors and managers	15.4
Average length of civilian service (years)	20
Average GS Grade	10.5
Percent female	41.9
Percent male	58.1
Average age	49
Percent with Bachelor's Degree or higher	63

Note: Section D-2.1 provides a detailed workforce data profile of the demonstration population and the Comparison Group.

1.5 Evaluation Working Group

The multiple Service/Component scope of AcqDemo presents a unique challenge in obtaining consistent and reliable data for results evaluation. To meet this challenge, the Executive Council appointed an Evaluation Working Group (EWG) with membership from each participating organization and representatives of the Program Office and evaluation contractors. The AcqDemo Deputy Project Manager co-chairs the EWG with the contractor, CAI. The EWG met for the first time in July 1999 and has met approximately monthly thereafter.

1.5.1 Functions.

The EWG has two primary functions: (1) coordinating collection of evaluation data across all participating organizations, and (2) serving as a forum for discussion of evaluation issues. Membership varies from time to time as needs dictate. For example, early meetings included data experts from each Service and Washington Headquarters Services (WHS), who were needed to iron out details on the workforce data call. Later, personnel specialists were enlisted to help determine how best to obtain data not available in automated systems.

1.5.2 Accomplishments.

Among the EWG's accomplishments to date are:

- The Workforce Data call, resulting in recurring feed of workforce data;
- A Personnel Office data collection plan that minimizes manual workload while capturing non-automated data that is essential for the evaluation;
- Advice to the Executive Council on implementation and cost data collection; and
- Advice on the approach to measurement of organizational effectiveness and customer satisfaction.

Chapter 1

Baseline Data Collection

1.1 Workforce Data

Beginning in July 1999, when the Evaluation Working Group was formed, the contractor evaluation team (Cubic Applications, Inc. and Federal Management Partners) explored how best to obtain the needed workforce data. Augmented by data experts from the Services and Washington Headquarters Services (WHS), the EWG and the evaluation contractor considered:

- Obtaining extracts from the Defense Civilian Personnel Data System (DCPDS). The DCPDS is the standard personnel data system used by all DoD Components (the Military Departments and Defense agencies). Personnel data is consolidated from the DCPDS maintained by each agency into a database called the Interim Corporate Management Information System (ICMIS). This method would require the Department to periodically extract approximately 60 data elements, plus certain personnel transactions, from ICMIS, for AcqDemo participants. (Air Force would provide these data for the Comparison Group.) A modern DCPDS is being deployed throughout the Department. Data from all Components in the modern DCPDS will be consolidated into a database called the Corporate Management Information System (CMIS). Until the modern DCPDS is fully deployed (estimated to occur during the summer of 2001), extracts would have to be taken from two different sources (ICMIS from the traditional DCPDS and CMIS from the modern DCPDS) and consolidated into the workforce database for evaluation purposes. While pre-Demo transactions would not be available at installations converted to the modern DCPDS, most personnel history data for experience and training is available.
- Obtaining a combined database (or databases) from the Defense Manpower Data Center (DMDC). This method would require a periodic extract, for AcqDemo participants and the Comparison Group, from DMDC's combined database that is created from the monthly submissions of each Service and WHS. In addition to the fact that it is a combined database, an advantage of this approach is the availability of some historical (1998) transaction data for use in baseline analysis. DMDC's extract would be based on individual pay plan identifiers, not unit identification codes (UICs)—UICs are not stable in DMDC's system. This means that historical transaction data can not be obtained for the entire Demo population.

After consulting with data and evaluation experts from Air Force, CPMS, and DMDC, the evaluation team's decision was to go with the DMDC approach in that its advantages outweighed the disadvantages. The Program Office issued the formal data call to DMDC in August 1999.

As a result, DMDC is providing the following types of data:

- A baseline status file as of 12/31/98, covering AcqDemo participants and members of the Comparison Group. The file contains more than 100 data elements in the complete

personnel record of each employee. In this file, like the others provided by DMDC, employee SSNs are scrambled to protect privacy.

- The 1998 and 1999 transactions (promotions, accessions, separations, etc.) for a representative sample of Demo participants and for the Comparison Group. This database is extracted from archived files maintained by DMDC based on UICs that were stable over time from 1998-2000.
- A status file (or snapshot) of the AcqDemo workforce and the Comparison Groups as of 12/31/99. This file allows analysis of changes in the AcqDemo population profile over time.
- Monthly transactions for the period from September through December 1999 and for January–April 2000. DMDC is providing a monthly extract, from which the evaluation contractor is accumulating transaction data. Services and WHS provide a monthly update to DMDC. These transactions are for the entire Demo population as well as the Comparison Group, and will be used over several years to examine trends and results.

Preliminary analysis of the data collected thus far is presented in Section D, Chapter 2. Using the above-described data sources, we will have a considerable and useful body of knowledge about the long-term trends in the AcqDemo workforce. Combining this workforce data with other sources of information will allow conclusions to be drawn as to the effects of the interventions.

1.2 Personnel Office Data

Over the past several months, the Evaluation Working Group has deliberated and refined the requirements for data that will be essential to evaluation of AcqDemo, but is not available from normal automated systems and surveys. Throughout its discussion, the Group tried to minimize new, manual data-gathering work, being especially concerned about Personnel Office workload during a time of regionalization, modernization, and downsizing. The result of that effort was a call for Personnel Office data that focuses on primary interventions, merit-related issues, and captures only essential information. It should be kept in mind that the majority of evaluation data will come from other sources: workforce data, attitude surveys, Focus Groups, and site historian reports.

The formal data call was issued on May 24, 2000, with the objective of obtaining as much Personnel Office data as possible for use in this Baseline/Implementation Report. The measurement indicators and approach to data collection are described below.

1.2.1 Hiring-related Data

Indicators:

Hiring Timeliness

Acceptance Ratios

Percent of Hires from First Referral List

General Approach

Obtain data as much as possible from “CIVPRO,” a civilian personnel productivity system used by Army (and similar systems used by other Services). CIVPRO tracks requests for personnel action from the date submitted by the manager or supervisor at each stage through selection. CIVPRO can provide data on the number of formal job offers, declinations, and acceptances. Data on the number of positions filled from the first referral list may have to be obtained manually.

1.2.2 Classification-related Data*Indicators:*

Length and Number of Position Documents
Number of Generic vs. Individual PRDs
Classification Timeliness

General Approach

USMC (MARCORSYSCOM) has documented the number and length of position documents, the time required to prepare them, and the timeliness of classification actions. These data are available both before and after the demonstration project began. The evaluation team would like to see similar case studies from the other Services.

1.2.3 Grievances, Appeals, and Complaints*Indicators:*

Formal Written Grievances
Adverse Action Appeals
Formal EEO Complaints
Unfair Labor Practice Charges

General Approach

The team’s consensus was that the data will need to be obtained from existing manual reports that are prepared within each Service/Component on an ongoing basis. There is no DOD-wide roll-up or central source for this information. AcqDemo Executive Council members were asked to obtain the information from the appropriate source within their own organizations. Gathering information directly from the offices that maintain the pertinent files can help ensure the validity and reliability of the data. Executive Council members will normally obtain this information from servicing human resources offices and equal employment opportunity offices.

The evaluation team is confident that the needed data can be obtained through this sampling and case study approach.

1.3 Baseline Attitude Survey

OPM administered the first of three employee attitude surveys during the period of April 20 to July 31 1998 to a potential population of 69,000 individuals. However, based on DOD data, it is known that 23,500 of these surveys were not distributed to some Air Force organizations that had been withdrawn from consideration as potential demonstration participants. Individuals (45,000) to whom the survey was distributed included acquisition and acquisition support personnel in the Air Force, Army, Navy, Marine Corps, Defense Logistics Agency (DLA), Defense Information Systems Agency (DISA), DOD Labs, and Defense Finance and Accounting Service (DFAS).

Of the 45,500 surveys that were distributed, 16,355 were returned for a response rate of 35.9%. However, 466 of the employees who responded did not indicate the organization in which they worked and were consequently removed from the sample. Their removal was necessary as the survey respondents were sorted into a demonstration group, Comparison Group, and an “other respondents” group based on their organization.

The sample used for the analysis includes 15,889 employees for a response rate of 34.9%. Within the final sample, 2,748 employees (17.3% of the sample) work for organizations that are participating in the demonstration project. These employees make up the “demonstration group.” Employees at the Air Armaments Center at Eglin AFB, FL (“AFDTC” on the survey population list) were selected to be the “Comparison Group.” Although there are 1,334 acquisition personnel at the Air Armaments Center, it is known that the survey was distributed to only 1,000 of these employees; 470 employees (3.0% of the sample) responded to the survey for a response rate of 47.0%.

In sum, 12,671 of the survey respondents (79.7% of the sample) work for organizations that are neither currently participating in the demonstration project nor part of the Comparison Group. These employees make up the “other respondents” group. The table below lists the number of respondents for the demonstration group, Comparison Group and the other respondents group by agency.

<i>Demonstration Group</i>		<i>Comparison Group</i>		<i>Other Respondents Group</i>	
Air Force	1025	Air Force	470	Air Force	2867
Army	954			Army	8485
Navy	402			Navy	416
Marine Corps	367			DOD	213
				DFAS	2
				DISA	1
				DLA	687

Results from this survey were reported as part of the December 1999 “Employee Attitude Survey—Baseline Results” report and spring 2000 briefings. Survey results will also be addressed in Section D, Chapter 2 of this report. The full survey will be administered again in the fall of 2002 and 2003. The participating Components have also conducted small surveys with specific focuses. A sample is in Volume III of this report.

Note: As part of the formative evaluation, a smaller electronic survey, with approximately 50 questions on topics of immediate interest, will be administered in the winter of 2001. The survey

will be accessed via the Internet, and survey responses will be automatically and immediately downloaded to a database. In addition to necessary demographic questions, the survey will focus on key areas of inquiry raised by senior acquisition leaders.

1.4 Focus Groups

Focus Groups are used for in-depth examination of the implementation and effects of specific demonstration interventions. In all cases, Focus Group membership was randomly selected. For the evaluation team, Focus Groups provide insight into the human dimension of the demonstration project, helping to explain and illustrate the effects of AcqDemo interventions. In addition, Focus Groups can point to differences in implementation or policies that may influence other, more objective data. Finally, Focus Groups provide a quick—albeit subjective and anecdotal—reading on participant attitudes towards the demonstration project in general and AcqDemo interventions in particular.

1.4.1 Plan.

Focus Groups are scheduled over the five-year period of the evaluation (see Appendix A—*Evaluation Plan*) to support the reporting cycle.

The initial Focus Groups (total of 21) are being conducted in the spring through the fall of 2000, with a second large set in early 2003. In addition, the plan calls for a small number of ad hoc Focus Groups each year, as needed. Ad hoc Focus Groups will also be used to research any unexpected outcomes that may be identified. For example, we will conduct Focus Groups when there is a best practice or problem that comes to our attention—including, whenever warranted, Focus Groups based on diversity issues.

1.4.2 Focus Group Protocol.

The evaluation contractor team developed a detailed protocol (see Appendix B—Focus Group Protocol). The protocol prescribes the processes to be used in selecting participants, coordinating Focus Group sessions, recording Focus Group comments, conducting Focus Groups, documenting the sessions, and conducting courtesy in- and out-briefings with the local leadership as desired by the host installation. The protocol also includes an advance information sheet to be provided to all group participants, and a facilities and equipment requirements list.¹

The Focus Group protocol lists targeted questions for the three most typical Focus Groups:

- Non-supervisor participants
- Supervisors
- Pay pool panel members

¹ A policy of non-attribution of all comments is spelled out in detail in the protocol and in the information sheet provided to all participants.

1.4.3 Training of Focus Group Facilitators/Recorders.

Initially, three members of the CAI/FMP evaluation team were trained and certified by an experienced Focus Group facilitator. As needed, additional facilitator/recorders may be trained to meet future requirements. The protocol requires that two analysts, alternating as facilitator and recorder, will conduct each Focus Group.

1.4.4 Selection of Participants.

In general, participants are chosen on a random basis by the Focus Group team once the composition of each Focus Group is determined. Selection of up to 15 persons is normally made by SSN to insure a sufficient number (10 to 12) of participants for each session. For example, for a Focus Group of non-supervisory personnel, the team could select every tenth SSN from a list of 150.

Focus Group composition may vary. In some instances, preliminary data analysis from other sources such as CCAS payouts or survey information could lead to a determination that a particular Focus Group composition is needed. In these cases, specific career paths or even broadbands may be targeted, or groups may be limited to supervisory or non-supervisory personnel. At large sites with multiple pay pools, a specific pay pool or pools may make up the target population.

The initial Focus Groups conducted in 2000 have resulted in two amendments to Focus Group processes:

- A larger pool of participants is selected to allow for no-shows due to other business needs, sickness, or personal leave.
- Since military (active duty) supervisors and military pay pool panel members are not AcqDemo participants, they are not shown in the databases provided to the evaluation team for Focus Group participant selection. However, it is critical that active duty military supervisors and pay pool panel members participate in the Focus Groups since they often have different perspectives on questions from civilian government employees. Moreover, they have special needs that must be met. For example, since the military rotation cycle is heaviest during the summer months, there is a critical need for training of new supervisors and pay pool panel members just prior to the annual CCAS assessment cycle.

Active duty members are now included in all relevant Focus Groups, generally by making special arrangements with the host installation.

1.4.5 Data Collection.

The Focus Group team initially tried two methods of collecting and recording Focus Group responses:

- The Recorder captured, in summary form, substantive comments from the group as they were made. These comments were projected via computer on a large screen so that participants could see exactly what was being recorded and even make corrections if desired.
- The Recorder captured, in summary form, substantive comments from the group as they were made, but the comments were not projected on a screen.

Our experience with the first groups was that Focus Group participants preferred to see what was being recorded, and that full and frank discussion was not inhibited by that procedure. As a result of this experience, the Focus Group team now projects all comments as they are captured.

1.4.6 Reporting.

After each event, or set of Focus Groups, the facilitator and recorder develop a short summary report to be provided to the AcqDemo Program Office within 10 business days. This report includes the following information:

- Population of Focus Groups.
- Dates of Focus Groups.
- Length of Focus Group sessions.
- Location of Focus Groups.
- Focus Group questions.
- Overall summary of comments.
- Significant issues requiring immediate attention by the Program Office, if any.

In addition, the Focus Group team offers to provide a summary out-briefing to the local leadership. This session, generally lasting 15 to 30 minutes, offers a synopsis of the primary views presented by Focus Group participants, highlighting any issues that could require attention from the local leadership.

1.4.7 Focus Group Summary.

As of the date of this report, Focus Groups have been conducted as follows:

Number of Focus Groups conducted:	12
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Focus Groups by Components/Services	3 Army 3 Air Force 3 Navy 3 Marine Corps
Locations	3 Camp Pendleton, CA 3 Edwards AFB, CA 1 Ft. Belvoir, VA 2 Picatinny Arsenal, NJ 3 Washington DC

Number of Focus Group participants:	103
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Participants by position	
Pay pool panel members	9 (including 1 military)
Supervisors	28 (including 2 military)
Non-supervisory	56
Mixed	10
Participants by career path	
NH	18
NJ/NK	17
Mixed (mostly NH)	65
Military	3

Number of structured interviews conducted:	2 (Marine Corps)
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1.5 Site Historian Logs

Site historian logs are an important dimension of the demonstration project because they provide a geographic- and organization-specific context for the analysis of statistical data. The purpose of having a site historian is to capture "history" or intervening events that are important to the evaluation, but that are not normally recorded or kept in the usual databases. It is especially important to maintain a written history when the research extends over a long period and when

there are multiple sites that may be subject to different influences. For example, one site may be affected by change in the local labor market that does not affect the other localities. Alternatively, a change in policy or innovation in procedures may be well known at the time of occurrence, but may not be remembered by researchers conducting the evaluation several years later.

1.5.1 Location of Site Historians.

Since this demonstration project includes participants from all four Services and the Office of the Under Secretary of Defense Acquisition Technology & Logistics, widely dispersed across the United States and overseas, it was recognized that the Components should have flexibility in determining their site historian needs. In particular, Components were given the flexibility to determine whether site historians should be designated on an organizational or geographic basis. However, as a starting point, the Program Office suggested that site historians be appointed for each pay pool.

The table below indicates the organizations and locations with designated site historians, including the Comparison Group at the Air Armaments Center (Eglin Air Force Base, FL):

Table D-1: Site Historians

Organization/Location	Component
OSD (AT&L)/Washington DC	USD(AT&L)
USA CC/Korea	USA
DSSW/Washington DC	USA
MEDCOM/San Antonio, TX	USA
HQ AAESA/Ft Belvoir, VA	USA
PEO C3S/Fort Monmouth, NJ	USA
PEO IEW&S/Ft. Monmouth, NJ	USA
DCSOPS ADO/Washington DC	USA
PEO GCSS/Picatiny, NJ	USA
PEO GCSS/Warren, MI	USA
HQ MTMC MTAQ/Falls Church, VA	USA
PEO STAMIS/Ft Belvoir, VA	USA
PEO IS/Arlington, VA	USA
JPO for BIO DEF/Falls Church, VA	USA
APDPO/Ft Belvoir, VA	USA
OASA (ALT)/Ft Belvoir, VA	USA
AFFTC/Edwards AFB, CA	USAF
SAF/AQ/Washington DC	USAF
AAC (Comparison Group)/Eglin AFB, FL	USAF
MCTSSA/Camp Pendleton, CA	USMC
MARCORSYSCOM/Quantico, VA	USMC
NAVSEA Team CX/Arlington, VA	USN
IPO/Arlington, VA	USN

1.5.2 Selection and Training.

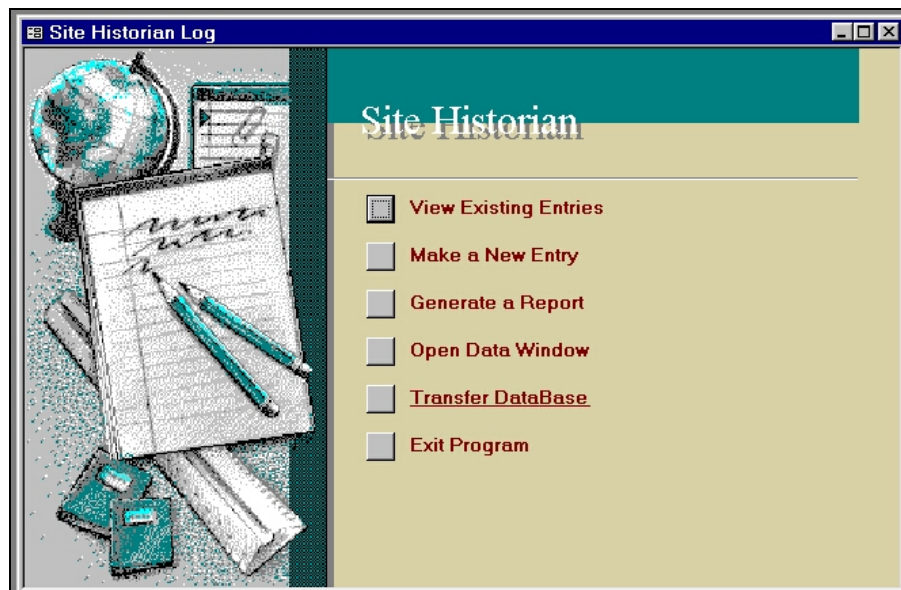
Services and Agencies were given the latitude to select site historians according to their own requirements; however, the following general guidance was provided:²

Site historians are chosen based on their general knowledge and understanding of issues which could affect demonstration project implementation, and awareness of the organizational ‘culture.’ Also, if at all possible, the site historian should be selected from those personnel expected to remain at that location for the duration of the demonstration project. There is no prescribed broadband level required for a site historian. However, personnel at broadband level III, for participants, and GS 9-12 for the Comparison Groups, provide the organizational and event perspective needed to fulfill this requirement.

The AcqDemo Program Office retained the principal responsibility for providing training for site historians. The primary method for training site historians was via instructions posted to the AcqDemo site historian web site (<http://www.AcqDemo.com/demotutorial/sitehistorian.htm>). Services and Agencies also provided instructions and help to site historians as needed.

1.5.3 Methodology.

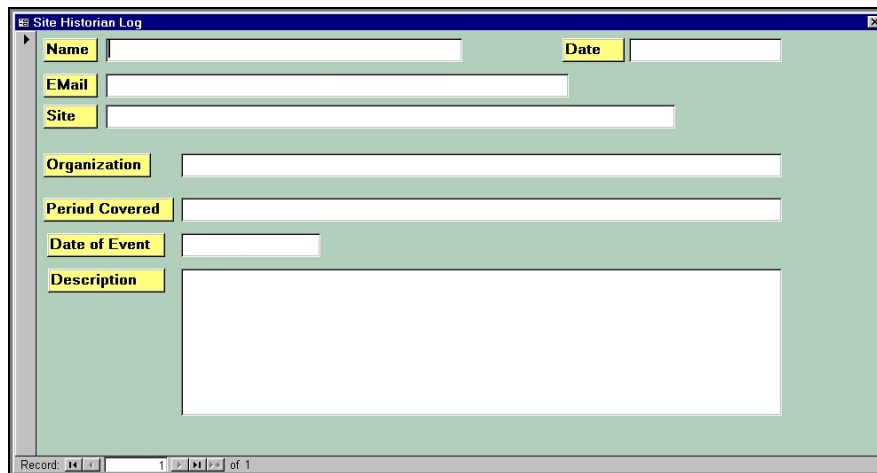
Since the Internet is a primary means of disseminating AcqDemo information and training, the Program Office instituted an electronic means of recording and collecting the quarterly site historian logs.



² Site historian web site, <http://www.AcqDemo.com/demotutorial/sitehistorian.htm>

A site historian report format was developed using Microsoft Access, a commonly used database program. The blank database format, along with an example of a completed site history, is posted on the same web site as the site historian training. Site historians are instructed to download a clean version of the database at the start of each quarter. The database is very user-friendly (see opening menu, above).

Site historians are asked to record events as they occur. By clicking on “Make a New Entry” in the opening menu they will access a simple but detailed template (below) for recording each event.



The screenshot shows a Microsoft Access form titled "Site Historian Log". The form is designed for data entry and features a light green background. It includes the following fields with yellow labels:

- Name: A single-line text box.
- Date: A date picker control.
- EMail: A single-line text box.
- Site: A single-line text box.
- Organization: A single-line text box.
- Period Covered: A single-line text box.
- Date of Event: A date picker control.
- Description: A large multi-line text area.

At the bottom of the form, there is a record navigation bar that displays "Record: 1 of 1" with navigation icons for first, previous, next, and last records.

1.5.4 Reporting.

At the end of each quarter, site historians e-mail their logs to the evaluation team—reports are due by the 20th day of the following month.³ The evaluation team quickly reviews each report to insure completeness and to screen for major events that should be reported to the Program Office on an expedited basis.

Each week, the evaluation team provides the Program Office with a report for the current quarter on the status of site history submissions. A monthly roll-up is also provided to Executive Council members; this greatly assists the process of collecting the last few reports of each quarter.

1.5.5 Status.

As expected, the process of identifying and training site historians has been problematic in some cases. However, by the third reporting period (2Q FY00), all site historians had submitted site history logs.

³ Some Components require that site historian logs be submitted through the Executive Council member, while others allow direct submission to the evaluation team, with a copy provided to the EC member.

The following table illustrates the status of quarterly site historian reports as of the end of the 3d Quarter, FY 00:

Organization	Component	Report Rec'd
A&T	OSD	✓
USA CC KOREA	USA	✓
DSSW	USA	✓
MEDCOM	USA	✓
HQ AAESA	USA	✓
PEO C3S	USA	✓
PEO IEW&S	USA	✓
DCSOPS ADO	USA	✓
PEO GCSS Picatinny	USA	✓
PEO GCSS Warren	USA	✓
HQ MTMC MTAQ	USA	✓
PEO STAMIS	USA	✓
PEO IS	USA	✓
JPO for BIO DEF	USA	✓
APDPO	USA	✓
OASA (ALT)	USA	✓
AFFTC	USAF	✓
SAF/AQ	USAF	✓
AAC (Comp Gp)	USAF	✓
MCTSSA	USMC	✓
MARCORSYSCOM	USMC	✓
NAVSEA Team CX	USN	✓
IPO	USN	✓

1.6 Cost Data

The approach to evaluating costs is described in the *Evaluation Plan*, and derives from the OPM Evaluation Handbook's requirement to answer the question, "What were the costs, relative to the benefits, of the project?" The *Federal Register* notice stated that the overall demonstration cost strategy will be "to balance projected costs with benefits of the demonstration to bring about the projected improvements to the DOD Acquisition Workforce. Evaluation results will be used to ensure the out-year project costs will not outweigh the derived benefits...." A baseline will be established at the start of the project and expenditures will be tracked on an annual basis.⁴ In addition to the evaluation of out-year costs, "the base pay costs (including average salaries) under the demonstration project will be tracked and compared to the base pay costs under similar demonstration projects...." Also, total pay, to include such items as contribution awards for the demonstration group and performance awards for the Comparison Group, will be tracked and analyzed.

Using the *Federal Register* notice and the *Evaluation Plan's* Cost Model, the AcqDemo team developed a specific cost report format that could be used throughout the life of the project. This format was developed by the evaluation contractor, the Evaluation Working Group, and the

⁴ CCAS data are provided in Section D, Chapter 3.

Executive Council after these parties examined what cost data would be both necessary for the evaluation and feasible to obtain. The payroll cost components of the evaluation will be obtained from Workforce Data and CCAS Data. The remaining categories of costs—Start-up, Implementation, Operation, and Evaluation—will be obtained from participating components. A formal request for cost information was included in the call for implementation history and cost data issued by the PO on February 17, 2000. The results are described in Section D, Chapter 2 below.

1.7 CCAS Data

The CCAS database is provided by the contractor supporting CCAS software and spreadsheets. The Data Analysis Plan (Annex C of the approved *Evaluation Plan*) calls for certain analyses using CCAS data and other data from the workforce database, such as reviewing retention and separations in relationship to overall contribution score. In order to conduct these analyses, the evaluation contractor has obtained a CCAS database and matched its records to those individual records in the workforce database. CCAS data elements include the following:

1. Name
2. SSN (scrambled)
3. Pay pool
4. 1999 Basic Pay
5. 2000 General Pay Increase (GPI)
6. 2000 Contribution Rating Increase (CRI)
7. 2000 Basic Pay
8. 2000 Contribution Award
9. 6 factor scores

The preliminary analysis of these data is included in Section D, Chapter 3.

1.8 Organization Effectiveness and Customer Satisfaction Data

Measurement of the effects of personnel interventions on organizational effectiveness has proven to be a difficult aspect of project evaluation. In its *Evaluation Handbook*, OPM lists organizational outcomes among the purposes of project evaluation: “the results [from project evaluation] aid in linking human resource management to organizational and mission outcomes (e.g., the Government Performance and Results Act, GPRA).” The concept “aid in linking” is worth expanding on just a bit.

Conceptually, the central issue is the inability of any measurement system to show direct cause and effect links over time between intermediate outcomes and the satisfaction of higher order organizational goals. External factors, multi-pronged outcomes from the demonstration and from other sources, as well as unintended consequences, all converge to complicate attempts to trace cause and effect. While our evaluation models for this project do seek to account for external factors and to mitigate other contextual disturbances, the process obviously does not operate in a “clean room” environment. In its OPM-approved *Evaluation Plan*, AcqDemo has set out the models, methods, and techniques that will show whether the intermediate outcomes have been met for the selected HR interventions. The same measures in the aggregate will offer key

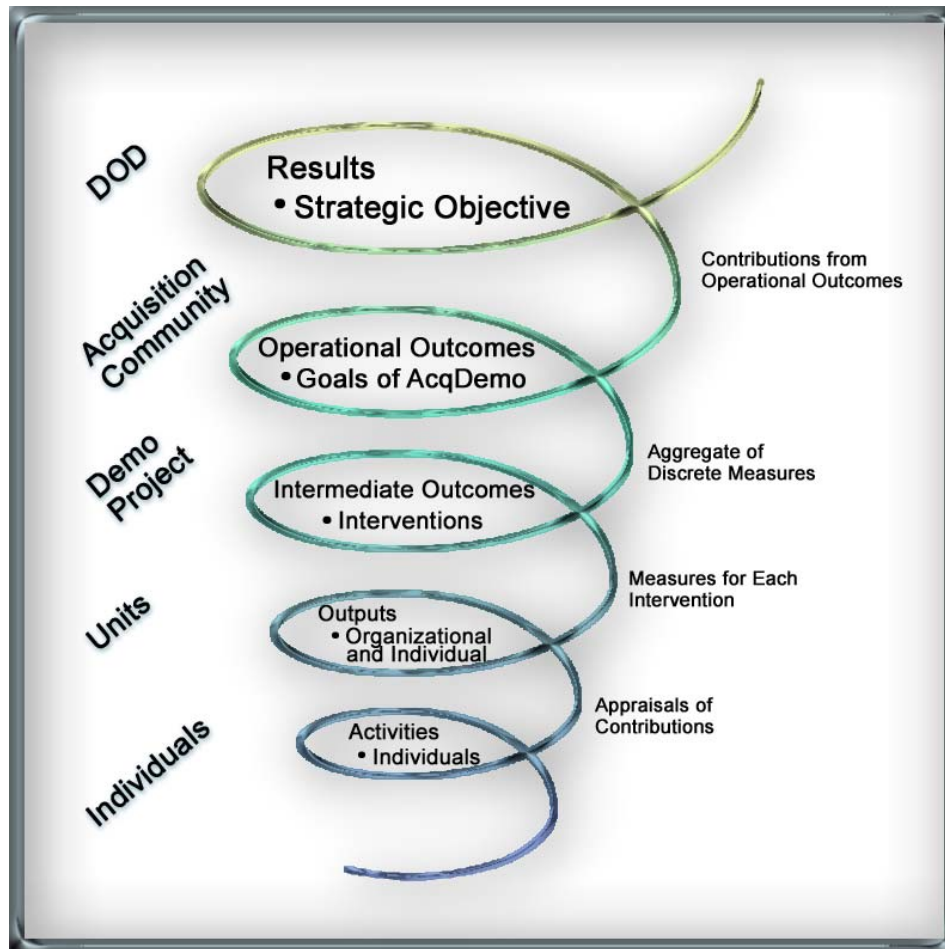
indicators to decisionmakers on the success or failure of the project in meeting its operational outcomes and its strategic objective(s).

Operationally, the central issue is discerning and tracking operational outcomes that will satisfy project goals. It is a great deal easier to assess the outcomes of concrete personnel interventions than the achievement of the program's overall expected benefits: namely, 1) increased quality of the acquisition workforce and the products it acquires; 2) higher retention rates for excellent contributors; 3) improved timeliness of key personnel processes; and 4) increased organizational effectiveness and customer satisfaction. AcqDemo has delineated a number of measures and intermediate outcomes that, when brought together, will provide sufficient and reliable indicators to acquisition leaders about the achievement of these project goals.

1.8.1 Logic Model.

The following model depicts the main levels of AcqDemo evaluation; interrelationships among the activities and outputs of individuals and units; intermediate outcomes from the eleven HR interventions; and operational outcomes that define achievement or failure in reaching the overall goals. Each of these levels is discussed further below.

Chart D-1: Logic Model for AcqDemo Metrics



1.8.2 Intermediate Outcomes: Interventions and Effects.

From the earliest concepts for conducting the AcqDemo to the present, the main spotlight has been on the eleven primary and secondary personnel interventions, and the evaluation thereof. The effects of those HR interventions will be measured as a series of intermediate outcomes. When folded together, these outcomes will help decisionmakers assess the achievement of the program's goals and benefits. The primary customers are the participants in the demonstration project.

1.8.3 Operational Outcomes: Goals.

The second *Federal Register* notice lists four principal goals of the AcqDemo project: 1) gain greater managerial control and authority over personnel processes; 2) link pay to employee contributions; 3) achieve a flexible and responsive personnel system; and 4) attract, motivate and retain a high-quality acquisition workforce. (The expected benefits described above in D-1.1.8 are a re-expression of these operational outcomes, as further defined by the acquisition community leadership.)

1.8.4 Strategic Objective.

The expected outcomes and benefits are designed to contribute to the strategic objective of the Under Secretary of Defense (AT&L): “A High-Quality, Well-Trained Workforce for the 21st Century.” The logic model above also depicts the spectrum of participants involved: from the individual employees who receive appraisals of their contributions, through the organizational units (pay pools and agencies) and the demonstration project as a whole, to the broader acquisition community and DOD.

1.8.5 Follow-on Actions: Organizational Effectiveness.

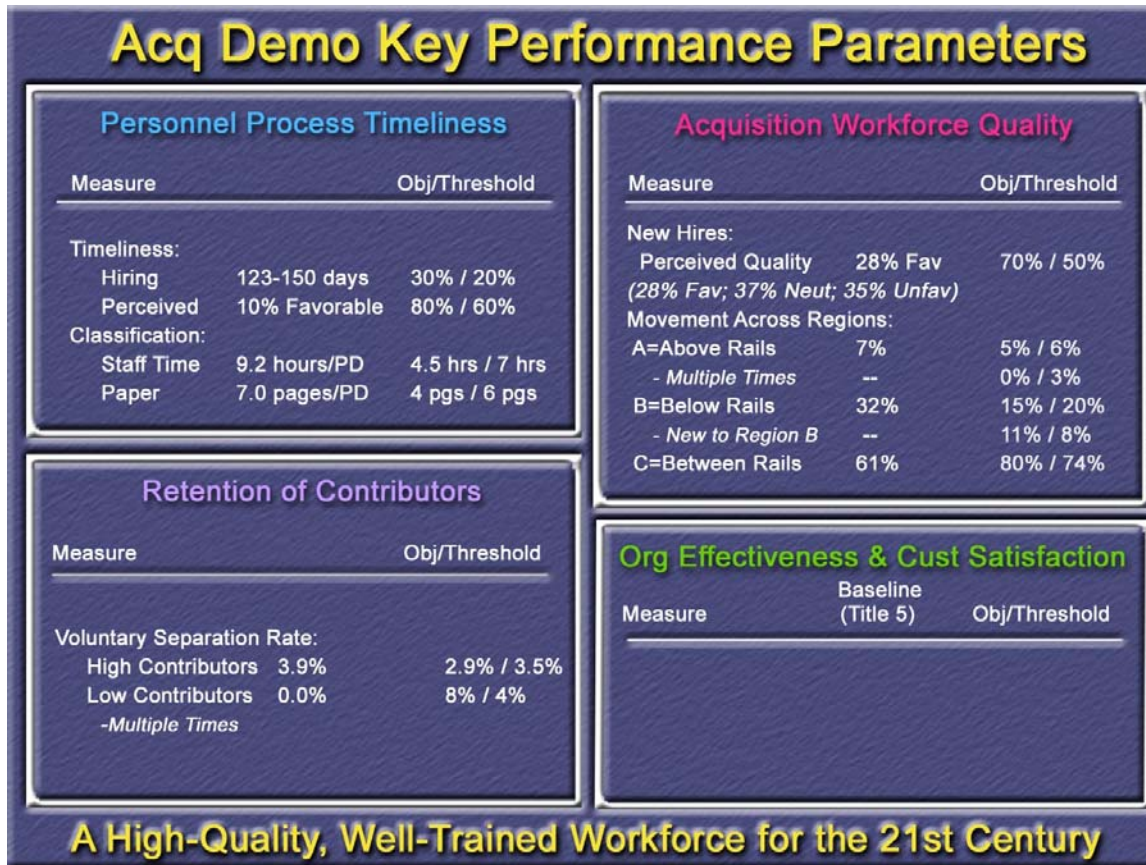
At the direction of senior leadership, the PO and the evaluation contractor conducted a workshop (August 2000) on organizational effectiveness and customer satisfaction. The Services, OPM, and Office of the Secretary of Defense representatives who focus on GPRA, on perceptions of customer satisfaction (internal and external), and on mission effectiveness all provided valuable descriptions of potential evaluation measures. However, none of the approaches appeared satisfactory for use in this demonstration project. The macro metrics (e.g., GPRA data) were at too aggregated a level to provide AcqDemo a useful baseline to measure mission effectiveness. At the other end of the spectrum, the operational assessments of AcqDemo organizations (e.g., mission essential task lists) were too narrow and lacked commonality across the project. In brief, there appeared to be no useful single baseline against which to compare data over time, in particular no baseline that could help identify and distinguish the effects of the eleven personnel interventions on organizational effectiveness.

As a follow-up to the workshop, the PO directed the EWG to examine alternatives and to prepare a new approach. The EWG is now studying a balanced scorecard model, including surveys on customer satisfaction and mission effectiveness, Focus Groups of senior managers who will assess the results of AcqDemo interventions on organizational effectiveness, the tracking of scores on the customer relations factor, and a potential case study with either the Marine Corps or the Air Force. For the case study, the PO will rely on information already being gathered on organizational effectiveness and customer satisfaction.

1.8.6 Key Performance Parameters.

Chart D-2 below illustrates the baseline (or threshold) values of certain measures related to AcqDemo goals and primary interventions. The results evaluation will include other measures as well.

Chart D-2: Key Performance Parameters (KPP)



KPP - Organizational Effectiveness & Customer Satisfaction

- Organizational Effectiveness: A Two-Way View
 - As a Whole Against Its Mission
 - Interventions Impact on the Organization Human Capital
- Current Focus - Measure Effectiveness of the Interventions
- 1st Tier Customers: Managers/Supervisors and Employees

Measure	Baseline	Objective/Threshold
Interventions Used	90%	100%/95%
Perceived Pay to Contribution Link	20%	90%/80%
Perceived Effectiveness	74% Favorable	80%/77%
Perceived Customer Satisfaction	71% Favorable	80%/76%
Trust in Leadership	Feb 01 Survey	15% Improvement Annually

Chapter 2 Baseline Study

This chapter contains the baseline and first-year data from each of the major data sources: workforce data, attitude survey, Focus Groups, site historian reports, costs, and Personnel Office data. These sources provide a comprehensive picture of the participant population, the first CCAS payout cycle (reported on in Chapter 3 below), and initial attitudes and history. However, because AcqDemo is still in the early stages of its implementation, any conclusions or even reliable trends would be premature in the evaluation.

2.1 Workforce Data

This part of the report presents a baseline view of the workforce data for the AcqDemo population and for the Comparison Group. These data will be updated and tracked for the five-year life of the evaluation effort. To the extent possible, the tables below contain workforce data for calendar year 1998, prior to the start of the project, and for calendar year 1999, the first active year of demonstration experience. It is too early for meaningful trend analysis, so the reader should look at the tables below simply as a baseline profile. Unless otherwise noted, the sources of data displayed below are file extracts from the Defense Manpower Data Center (DMDC) as of December 1998 and December 1999. The transaction data comes from two samples of the AcqDemo population that were taken by DMDC from historical records. Samples were used, as explained above (Section D, Chapter 1), because, due to unit identification code (UIC) instability, historical data were not available for the entire AcqDemo population. Note that the vast majority of workforce data displayed below covers *all* AcqDemo participants.

2.1.1 AcqDemo Baseline Profile.

Table D-2: Population Baseline

	12/1998	12/1999
Air Force	2026 (40.4%)	2008 (40.3%)
Army	1489 (29.8%)	1492 (29.9%)
Marine Corps	568 (11.4%)	566 (11.4%)
Navy	650 (13.0%)	646 (13.0%)
USD (AT&L)	271 (5.4%)	271 (5.4%)
<i>Total:</i>	5,004	4,983
Comparison Group	1,328	1,316

2.1.2 Occupational Baseline.

Table D-3: Occupational Baseline

	Demonstration Group		Comparison Group*	
	12/1998	12/1999	12/1998	12/1999
Business Management and Technical Management Professional (NH)	78.4%	78.4%	73.8%	73.5%
Technical Management Support (NJ)	5.7%	5.7%	8.7%	8.7%
Administrative Support (NK)	15.9%	15.9%	17.5%	17.8%
*Note: The Comparison Group's GS occupation series were converted to Acquisition Demonstration Project career path equivalents.				

2.1.3 Workforce Profile Baseline.

Table D-4: Workforce Profile I

	Demonstration Group		Comparison Group	
	12/1998	12/1999	12/1998	12/1999
Total Population	5004	4983	1328	1316
Percent Supervisors/Managers	12.1%	12.0%	15.4%	15.3%
Average Length of Civilian Service	19 years	19 years	20 years	20 years
Average Age	48 years	48 years	49 years	49 years
Percent Eligible for Retirement	6.2%	8.0%	9.1%	11.2%
Percent on Permanent Appointment	97.2%	97.3%	94.1%	93.7%
Percent in Bargaining Unit	8.3%	8.6%	81.7%	81.8%
Average GS Grade	11.0	11.0	10.5	10.5
DAWIA-Covered	55.8%	56.2%	57.6%	57.9%

Table D-5: Workforce Profile II

	Demonstration Group		Comparison Group	
	12/1998	12/1999	12/1998	12/1999
Female	46.0%	46.0%	41.9%	42.3%
Male	54.0%	54.0%	58.1%	57.7%
White	75.4%	75.4%	84.5%	84.4%
Black	14.0%	14.1%	8.1%	8.2%
Hispanic	3.8%	3.8%	3.2%	3.2%
American Indian/Alaska Native	0.7%	0.7%	1.8%	1.8%
Asian/Pacific Islander	5.8%	5.8%	2.4%	2.4%
Other Race or National Origin	0.3%	0.2%	0.0%	0.0%
Veteran	26.3%	26.3%	36.7%	35.9%

Table D-6: Workforce Demographics By Career Path for 1998 Demonstration Group

	Business and Technical Management Professional (NH)	Technical Management Support (NJ)	Administrative Support (NK)
Female	1,483 (37.8%)	107 (37.5%)	714 (89.7%)
Male	2,440 (62.2%)	178 (62.5%)	82 (10.3%)
White	3088 (78.7%)	193 (67.7%)	492 (61.8%)
Black	428 (10.9%)	58 (20.4%)	215 (27.0%)
Hispanic	126 (3.2%)	18 (6.3%)	49 (6.2%)
American Indian or Alaskan Native	26 (0.7%)	4 (1.4%)	4 (0.5%)
Asian/Pacific Islander	247 (6.3%)	12 (4.2%)	34 (4.3%)
Other Race or National Origin	7 (0.2%)	0 (0.0%)	1 (0.2%)
Veteran	1,068 (27.2%)	134 (47.0%)	109 (13.7%)
	3,923	285	796

Table D-7: Workforce Demographics By Career Path for 1999 Demonstration Group

	Business and Technical Management Professional (NH)	Technical Management Support (NJ)	Administrative Support (NK)
Female	1477 (37.8%)	106 (37.5%)	713 (89.8%)
Male	2429 (62.2%)	177 (62.5%)	81 (10.2%)
White	3077 (78.8%)	190 (67.1%)	489 (61.6%)
Black	426 (10.9%)	58 (20.5%)	216 (27.2%)
Hispanic	124 (3.2%)	18 (6.4%)	49 (6.2%)
American Indian or Alaskan Native	26 (0.7%)	4 (1.4%)	4 (0.5%)
Asian/Pacific Islander	245 (6.3%)	13 (4.6%)	34 (4.3%)
Other Race or National Origin	7 (0.1%)	0 (0.0%)	1 (0.2%)
Veteran	1062 (27.2%)	134 (47.3%)	110 (13.9%)
	3906	283	794

Table D-8: Workforce Demographics By Career Path for 1998 Comparison Group

	Business and Technical Management Professional (NH)	Technical Management Support (NJ)	Administrative Support (NK)
Female	323 (33.0%)	18 (15.7%)	216 (92.7%)
Male	657 (67.0%)	97 (84.3%)	17 (7.3%)
White	848 (86.5%)	99 (86.1%)	175 (75.1%)
Black	61 (6.2%)	10 (8.7%)	36 (15.5%)
Hispanic	29 (3.0%)	5 (4.3%)	9 (3.9%)
American Indian or Alaskan Native	19 (1.9%)	1 (0.9%)	4 (1.7%)
Asian/Pacific Islander	23 (2.3%)	0 (0.0%)	9 (3.9%)
Other Race or National Origin	0 (0.0%)	0 (0.0%)	0 (0.0%)
Veteran	364 (37.1%)	85 (73.9%)	38 (16.3%)
	980	115	233

Table D-9: Workforce Demographics By Career Path for 1999 Comparison Group

	Business and Technical Management Professional (NH)	Technical Management Support (NJ)	Administrative Support (NK)
Female	322 (33.2%)	18 (15.9%)	217 (92.7%)
Male	647 (66.8%)	95 (84.1%)	17 (7.3%)
White	838 (86.5%)	97 (85.8%)	176 (75.2%)
Black	60 (6.2%)	10 (8.8%)	37 (15.8%)
Hispanic	28 (2.9%)	5 (4.4%)	9 (3.8%)
American Indian or Alaskan Native	19 (2.0%)	1 (0.9%)	4 (1.7%)
Asian/Pacific Islander	24 (2.5%)	0 (0.0%)	8 (3.4%)
Other Race or National Origin	0 (0.0%)	0 (0.0%)	0 (0.0%)
Veteran	353 (36.4%)	82 (72.6%)	38 (16.2%)
	969	113	234

2.1.4 Education Profile.

Table D-10: Education Level for Demonstration Group

	Total Demonstration Group		New Hires	
	12/1998	12/1999	12/1998	12/1999
High School Graduate or Less	20.8%	20.8%	58.2%	57.0%
Terminal Occupation Program	1.6%	1.6%	0.0%	0.0%
Some College/Associate's Degree	25.4%	25.5%	8.8%	11.6%
Bachelor's Degree	25.5%	25.5%	20.3%	16.3%
Some Graduate School	7.1%	7.0%	2.6%	2.3%
Master's Degree	16.8%	16.8%	10.1%	11.6%
Some Graduate School Beyond Master's Degree	1.8%	1.8%	0.0%	0.0%
Doctorate or Higher	1.0%	1.0%	0.0%	1.2%
Number of New Hires:*			79	86

*New hires are employees with a service computation date of 1 year or less.

Table D-11: Education Level for Comparison Group

	Total Comparison Group		New Hires ¹	
	12/1998	12/1999	12/1998	12/1999
High School Graduate or Less	10.1%	10.2%	26.9%	53.3%
Terminal Occupation Program	2.6%	2.6%	0.0%	0.0%
Some College/Associate's Degree	24.3%	24.5%	23.1%	13.4%
Bachelor's Degree	24.5%	23.9%	26.9%	23.3%
Some Graduate School	10.4%	10.4%	0.0%	0.0%
Master's Degree	25.9%	26.2%	23.1%	10.0%
Some Graduate School Beyond Master's Degree	1.4%	1.4%	0.0%	0.0%
Doctorate or Higher	0.8%	0.8%	0.0%	0.0%
Number of New Hires:			26	30
*New hires are employees with a service computation date of 1 year or less.				

¹Figures re-verified.

**Table D-12: Demonstration Group Education Level By Career Path
(Business Management and Technical Management Professional (NH))**

	Total Demonstration Group		New Hires	
	12/1998	12/1999	12/1998	12/1999
High School Graduate or Less	506 (12.9%)	504 (12.9%)	17 (40.5%)	16 (36.4%)
Terminal Occupation Program	41 (1.1%)	40 (1.0%)	0 (0.0%)	0 (0.0%)
Some College/Associate's Degree	835 (21.3%)	835 (21.4%)	1 (2.4%)	3 (6.8%)
Bachelor's Degree	1,228 (31.3%)	1,223 (31.3%)	14 (33.3%)	13 (29.5%)
Some Graduate School	340 (8.7%)	337 (8.6%)	2 (4.8%)	2 (4.5%)
Master's Degree	838 (21.3%)	833 (21.3%)	8 (19.0%)	9 (20.5%)
Some Graduate School Beyond Master's Degree	86 (2.2%)	85 (2.2%)	0 (0.0%)	0 (0.0%)
Doctorate or Higher	49 (1.2%)	49 (1.3%)	0 (0.0%)	1 (2.3%)
Total	3,923	3,906	42	44

**Table D-13: Demonstration Group Education Level By Career Path
(Technical Management Support (NJ))**

	Total Demonstration Group		New Hires	
	12/1998	12/1999	12/1998	12/1999
High School Graduate or Less	96 (33.7%)	96 (33.9%)	5 (83.3%)	0 (0.0%)
Terminal Occupation Program	7 (2.4%)	7 (2.5%)	0 (0.0%)	0 (0.0%)
Some College/Associate's Degree	159 (55.8%)	157 (55.5%)	1 (16.7%)	1 (100%)
Bachelor's Degree	13 (4.6%)	13 (4.6%)	0 (0.0%)	0 (0.0%)
Some Graduate School	8 (2.8%)	8 (2.8%)	0 (0.0%)	0 (0.0%)
Master's Degree	2 (.7%)	2 (0.7%)	0 (0.0%)	0 (0.0%)
Some Graduate School Beyond Master's Degree	0 (0.0%)	0 (0.0%)	0 (0.0%)	0 (0.0%)
Doctorate or Higher	0 (0.0%)	0 (0.0%)	0 (0.0%)	0 (0.0%)
Total	285	283	6	1

**Table D-14: Demonstration Group Education Level By Career Path
(Administrative Support (NK))**

	Total Demonstration Group		New Hires	
	12/1998	12/1999	12/1998	12/1999
High School Graduate or Less	435 (54.6%)	435 (54.9%)	24 (77.4%)	33 (80.6%)
Terminal Occupation Program	30 (3.8%)	31 (3.9%)	0 (0.0%)	0 (0.0%)
Some College/Associate's Degree	283 (35.6%)	279 (35.1%)	5 (16.1%)	6 (14.6%)
Bachelor's Degree	38 (4.8%)	39 (4.9%)	2 (6.5%)	1 (2.4%)
Some Graduate School	5 (0.6%)	5 (0.6%)	0 (0.0%)	0 (0.0%)
Master's Degree	4 (0.5%)	4 (0.5%)	0 (0.0%)	1 (2.4%)
Some Graduate School Beyond Master's Degree	0 (0.0%)	0 (0.0%)	0 (0.0%)	0 (0.0%)
Doctorate or Higher	1 (0.1%)	1 (0.1%)	0 (0.0%)	0 (0.0%)
Total	796	794	31	41

**Table D-15: Comparison Group Education Level By Career Path
(Business Management and Technical Management Professional (NH))**

	Total Comparison Group		New Hires	
	12/1998	12/1999	12/1998	12/1999
High School Graduate or Less	37 (3.8%)	38 (3.9%)	2 (12.5%)	9 (45.0%)
Terminal Occupation Program	13 (1.3%)	13 (1.3%)	0 (0.0%)	0 (0.0%)
Some College/Associate's Degree	141 (14.4%)	138 (14.2%)	3 (18.8%)	1 (5.0%)
Bachelor's Degree	294 (30.0%)	286 (29.5%)	6 (37.5%)	7 (35.0%)
Some Graduate School	131 (13.4%)	129 (13.3%)	0 (0.0%)	0 (0.0%)
Master's Degree	335 (34.2%)	336 (34.7%)	5 (31.2%)	3 (15.0%)
Some Graduate School Beyond Master's Degree	18 (1.8%)	18 (1.9%)	0 (0.0%)	0 (0.0%)
Doctorate or Higher	11 (1.1%)	11 (1.2%)	0 (0.0%)	0 (0.0%)
Total	980	969	16	20

**Table D-16: Comparison Group Education Level By Career Path
(Technical Management Support (NJ))**

	Total Comparison Group		New Hires	
	12/1998	12/1999	12/1998	12/1999
High School Graduate or Less	19 (16.5%)	18 (15.9%)	2 (33.3%)	0 (0.0%)
Terminal Occupation Program	7 (6.1%)	6 (5.3%)	0 (0.0%)	0 (0.0%)
Some College/Associate's Degree	74 (64.4%)	74 (65.5%)	2 (33.3%)	1 (100%)
Bachelor's Degree	9 (7.8%)	9 (7.9%)	1 (16.7%)	0 (0.0%)
Some Graduate School	3 (2.6%)	3 (2.7%)	0 (0.0%)	0 (0.0%)
Master's Degree	3 (2.6%)	3 (2.7%)	1 (16.7%)	0 (0.0%)
Some Graduate School Beyond Master's Degree	0 (0.0%)	0 (0.0%)	0 (0.0%)	0 (0.0%)
Doctorate or Higher	0 (0.0%)	0 (0.0%)	0 (0.0%)	0 (0.0%)
Total	115	113	6	1

**Table D-17: Comparison Group Education Level By Career Path
(Administrative Support (NK))**

	Total Comparison Group		New Hires	
	<u>12/1998</u>	<u>12/1999</u>	<u>12/1998</u>	<u>12/1999</u>
High School Graduate or Less	77 (33.0%)	78 (33.4%)	3 (75.0%)	7 (77.8%)
Terminal Occupation Program	14 (6.0%)	14 (6.0%)	0 (0.0%)	0 (0.0%)
Some College/Associate's Degree	109 (46.9%)	111 (47.4%)	1 (25.0%)	2 (22.2%)
Bachelor's Degree	22 (9.4%)	20 (8.5%)	0 (0.0%)	0 (0.0%)
Some Graduate School	5 (2.1%)	5 (2.1%)	0 (0.0%)	0 (0.0%)
Master's Degree	6 (2.6%)	6 (2.6%)	0 (0.0%)	0 (0.0%)
Some Graduate School Beyond Master's Degree	0 (0.0%)	0 (0.0%)	0 (0.0%)	0 (0.0%)
Doctorate or Higher	0 (0.0%)	0 (0.0%)	0 (0.0%)	0 (0.0%)
Total	233	234	4	9

2.1.5 Transaction Data.

Table D-18: Transaction History for Demonstration Group Sample

	1998 Demo Sample	1999 Demo Sample
Total sample	2,128	2,049
Number of employees promoted	331 (15.6%)	163 (8.0%)
Number of accessions during the year	106 (5.0%)	46 (2.2%)
Number of employees denied a WGI	3 (0.14%)	0 (0.0%)
Number of employees given a WGI	678 (31.9%)	137 (6.7%)
Number of employees converted from non- permanent to permanent appointments	26 (1.2%)	13 (0.6%)
Number of employees on temporary appointment	152 (7.1%)	126 (6.1%)
Number of employees on term/modified term appointment	5 (0.23%)	1 (0.05%)

Table D-19: Transaction History for Comparison Group Sample

	1998 Comp Sample	1999 Comp Sample
Total sample	1,158	1,551
Number of employees promoted	140 (12.1%)	188 (12.1%)
Number of accessions during the year	59 (5.1%)	41 (2.6%)
Number of employees denied a WGI	0 (0.0%)	0 (0.0%)
Number of employees given a WGI	368 (31.8%)	512 (33.0%)
Number of employees converted from non-permanent to permanent appointments	17 (1.5%)	28 (1.8%)
Number of employees on temporary appointment	30 (2.6%)	32 (2.1%)
Number of employees on term/modified term appointment	11 (0.9%)	11 (0.7%)

Table D-20: Separations by Type for Demonstration Group Sample

	1998 Demo Sample (% of sample)	1999 Demo Sample (% of sample)
During probationary period	1 (0.05%)	0 (0.0%)
Resignation	106 (5.0%)	52 (2.5%)
Retirement	35 (1.6%)	26 (1.3%)
Removal	1 (0.05%)	0 (0.0%)
Death	2 (0.09%)	4 (0.2%)
RIF	1 (0.05%)	1 (0.05%)
Termination*	118 (5.5%)	115 (5.7%)
Total # of employees separated	264	198

Table D-21: Separations by Type for Comparison Group Sample

	1998 Comp Sample (% of sample)	1999 Comp Sample (% of sample)
During probationary period	0 (0.0%)	0 (0.0%)
Resignation	24 (2.1%)	21 (1.4%)
Retirement	29 (2.5%)	53 (3.4%)
Removal	0 (0.0%)	1 (0.06%)
Death	3 (0.3%)	3 (0.2%)
RIF	0 (0.0%)	0 (0.0%)
Termination*	27 (2.3%)	31 (2.0%)
Total # of employees separated	83	109

* Includes: Termination-Sponsor Relocating (NOA code 351); Appointment in (agency)(code 352); Expiration of Appointment (code 355), and Termination-other (code 357). Does not include transfers.

Table D-22: Separations by Education Level for Demo Group Sample

	1998 Demo Sample	1999 Demo Sample
High School Graduate or Less	130 (49.2%)	129 (65.2%)
Terminal Occupation Program	1 (0.4%)	0 (0.0%)
Some College/Associate's Degree	62 (23.5%)	38 (19.1%)
Bachelor's Degree	46 (17.4%)	15 (7.6%)
Some Graduate School	6 (2.3%)	1 (0.5%)
Master's Degree	14 (5.3%)	11 (5.6%)
Some Graduate School Beyond Master's Degree	4 (1.5%)	1 (0.5%)
Doctorate or Higher	1 (0.4%)	3 (1.5%)

Table D-23: Separations by Education Level for Comparison Group Sample

	1998 Comp Sample	1999 Comp Sample
High School Graduate or Less	33 (39.7%)	28 (25.7%)
Terminal Occupation Program	1 (1.2%)	3 (2.8%)
Some College/Associate's Degree	15 (18.1%)	22 (20.2%)
Bachelor's Degree	16 (19.3%)	25 (22.9%)
Some Graduate School	3 (3.6%)	10 (9.2%)
Master's Degree	14 (16.9%)	19 (17.4%)
Some Graduate School Beyond Master's Degree	0 (0.0%)	1 (0.9%)
Doctorate or Higher	1 (1.2%)	1 (0.9%)

Table D-24: Separations by Gender, Race, and Veteran Status for Demo Group Sample

	1998 Demo Sample	1999 Demo Sample
Female	154 (58.3%)	118 (59.6%)
Male	110 (41.7%)	80 (40.4%)
White	209 (79.2%)	137 (69.2%)
Black	36 (13.6%)	35 (17.7%)
Hispanic	12 (4.5%)	13 (6.6%)
American Indian or Alaskan Native	0 (0.0%)	5 (2.5%)
Asian/Pacific Islander	7 (2.7%)	8 (4.0%)
Veteran	41 (15.5%)	33 (16.7%)

Table D-24.1: Separations During Probationary Period by Gender, Race, and Veteran Status

	1998 Demo Sample	1999 Demo Sample	1998 Comp Sample	1999 Comp Sample
Male	1 (100.0%)	N/A	N/A	N/A
Asian or Pacific Islander	1 (100.0%)	N/A	N/A	N/A
Veteran	N/A	N/A	N/A	N/A

Table D-24.2: Resignations by Gender, Race, and Veteran Status

	1998 Demo Sample	1999 Demo Sample	1998 Comp Sample	1999 Comp Sample
Female	70 (66.0%)	41 (78.8%)	17 (70.8%)	13 (61.9%)
Male	36 (34.0%)	11 (21.2%)	7 (29.2%)	8 (38.1%)
White	74 (69.8%)	36 (69.2%)	20 (83.3%)	16 (76.2%)
Black	21 (19.8%)	9 (17.3%)	3 (12.5%)	3 (14.3%)
Hispanic	10 (9.4%)	4 (7.7%)	0 (0.0%)	1 (4.8%)
American Indian or Alaskan Native	0 (0.0%)	1 (1.9%)	0 (0.0%)	0 (0.0%)
Asian or Pacific Islander	1 (0.9%)	2 (3.8%)	1 (4.2%)	1 (4.8%)
Veteran	13 (12.3%)	5 (9.6%)	0 (0.0%)	2 (9.5%)

Table D-24.3: Retirements by Gender, Race, and Veteran Status

	1998 Demo Sample	1999 Demo Sample	1998 Comp Sample	1999 Comp Sample
Female	15 (42.9%)	6 (23.1%)	9 (31.0%)	15 (28.3%)
Male	20 (57.1%)	20 (76.9%)	20 (69.0%)	38 (71.7%)
White	30 (85.7%)	20 (76.9%)	27 (93.1%)	49 (92.5%)
Black	4 (11.4%)	5 (19.2%)	2 (6.9%)	2 (3.8%)
American Indian or Alaskan Native	0 (0.0%)	1 (3.8%)	0 (0.0%)	1 (1.9%)
Asian or Pacific Islander	1 (2.9%)	0 (0.0%)	0 (0.0%)	1 (1.9%)
Veteran	15 (42.9%)	16 (61.5%)	16 (55.2%)	36 (67.9%)

Table D-24.5: Removals by Gender, Race, and Veteran Status

	1998 Demo Sample	1999 Demo Sample	1998 Comp Sample	1999 Comp Sample
Female	1 (100.0%)	N/A	N/A	1 (100.0%)
White	1 (100.0%)	N/A	N/A	1 (100.0%)
Veteran	N/A	N/A	N/A	N/A

Table D-24.6: Deaths by Gender, Race, and Veteran Status

	1998 Demo Sample	1999 Demo Sample	1998 Comp Sample	1999 Comp Sample
Female	1 (50.0%)	2 (50.0%)	1 (33.3%)	2 (66.7%)
Male	1 (50.0%)	2 (50.0%)	2 (66.7%)	1 (33.3%)
White	0 (0.0%)	2 (50.0%)	1 (33.3%)	2 (66.7%)
Black	2 (100.0%)	2 (50.0%)	1 (33.3%)	1 (33.3%)
Hispanic	0 (0.0%)	0 (0.0%)	1 (33.3%)	0 (0.0%)
Veteran	1 (50.0%)	2 (50.0%)	1 (33.3%)	1 (33.3%)

Table D-24.7: Reduction-In-Force by Gender, Race, and Veteran Status

	1998 Demo Sample	1999 Demo Sample	1998 Comp Sample	1999 Comp Sample
Female	1 (100.0%)	0 (0.0%)	N/A	N/A
Male	0 (0.0%)	1 (100.0%)	N/A	N/A
White	1 (100.0%)	1 (100.0%)	N/A	N/A
Veteran	N/A	1 (100.0%)	N/A	N/A

Table D-24.8: Terminations by Gender, Race, and Veteran Status

	1998 Demo Sample	1999 Demo Sample	1998 Comp Sample	1999 Comp Sample
Female	66 (55.9%)	69 (60.0%)	18 (66.7%)	18 (58.1%)
Male	52 (44.1%)	46 (40.0%)	9 (33.3%)	13 (41.9%)
White	103 (87.3%)	78 (67.8%)	14 (51.9%)	19 (61.3%)
Black	9 (7.6%)	19 (16.5%)	8 (29.6%)	8 (25.8%)
Hispanic	2 (1.7%)	9 (7.8%)	3 (11.1%)	2 (6.5%)
American Indian or Alaskan Native	0 (0.0%)	3 (2.6%)	1 (3.7%)	0 (0.0%)
Asian or Pacific Islander	4 (3.4%)	6 (5.2%)	1 (3.7%)	2 (6.5%)
Veteran	11 (9.3%)	9 (7.8%)	7 (25.9%)	5 (16.1%)

Table D-25: Separations by Gender, Race, and Veteran Status for Comparison Group Sample

	1998 Comp Sample	1999 Comp Sample
Female	45 (54.2%)	49 (45.0%)
Male	38 (45.8%)	60 (55.0%)
White	62 (74.7%)	87 (79.8%)
Black	14 (16.9%)	14 (12.8%)
Hispanic	4 (4.8%)	3 (2.8%)
American Indian or Alaskan Native	1 (1.2%)	1 (0.9%)
Asian/Pacific Islander	2 (2.4%)	4 (3.7%)
Veteran	26 (31.3%)	44 (40.4%)

Table D-26: Changes to Lower Grade* by Education Level for Demo Sample

	1998 Demo Sample	1999 Demo Sample
High School Graduate or Less	8 (42.1%)	3 (9.1%)
Some College/Associate's Degree	9 (47.3%)	14 (42.4%)
Bachelor's Degree	1 (5.3%)	9 (27.3%)
Some Graduate School	0	1 (3.0%)
Master's Degree	1 (5.3%)	6 (18.2%)
<i>Number of employees downgraded:</i>	19	33
<i>*changes to lower grade were identified using NOA code 713.</i>		

Table D-27: Changes to Lower Grade by Education Level for Comparison Group Sample

	1998 Comp Sample	1999 Comp Sample
High School Graduate or Less	0 (0.0%)	5 (20.8%)
Terminal Occupation Program	1 (4.8%)	2 (8.3%)
Some College/Associate's Degree	6 (28.6%)	4 (16.7%)
Bachelor's Degree	5 (23.7%)	4 (16.7%)
Some Graduate School	2 (9.5%)	3 (12.5%)
Master's Degree	6 (28.6%)	6 (25.0%)
Doctorate or Higher	1 (4.8%)	0 (0.0%)
<i>Number of employees downgraded:</i>	21	24

Table D-28: Changes to Lower Grade* by Gender, Race, and Veteran Status for Demo Sample.

	1998 Demo Sample	1999 Demo Sample
Female	11 (57.9%)	21 (63/6%)
Male	8 (42.1%)	12 (36.4%)
White	12 (63.1%)	24 (72/7%)
Black	4 (21.1%)	6 (18/2%)
Hispanic	2 (10.5%)	2 (6/1%)
American Indian/Alaska Native	1 (5.3%)	0 (0.0%)
Asian/Pacific Islander	0	1 (3.0%)
Veteran	9 (47.4%)	6 (18/2%)
<i>*changes to lower grade were identified using NOA code 713.</i>		

Table D-29: Changes to Lower Grade by Gender, Race and Veteran's Status for Comparison Group Sample

	1998 Comp Group	1999 Comp Group
Female	6 (28.6%)	9 (37.5%)
Male	15 (71.4%)	15 (62.5%)
White	16 (76.1%)	19 (79.2%)
Black	3 (14.3%)	5 (20.8%)
Hispanic	1 (4.8%)	0 (0.0%)
Asian or Pacific Islander	1 (4.8%)	0 (0.0%)
Veteran	11 (52.4%)	14 (58.3%)

Table D-30: Profile of Non-permanent Employees

	Demonstration Group		Comparison Group	
	12/1998	12/1999	12/1998	12/1999
Female	47.4%	46.7%	35.0%	37.3%
Male	52.6%	53.3%	65.0%	62.7%
White	74.5%	74.8%	77.5%	77.1%
Black	13.1%	12.6%	15.0%	15.7%
Hispanic	6.6%	6.7%	2.5%	2.4%
American Indian/Alaska Native	0.7%	0.7%	0.0%	0.0%
Asian/Pacific Islander	5.1%	5.2%	5.0%	4.8%
Veteran	54.0%	53.3%	61.2%	60.2%
	137	135	80	83

Table D-31: Voluntary Separations by Performance Level For 1998 Demonstration Sample

Performance Rating	Total 1998 Sample	Employees who resigned	Employees who retired	Total voluntary separations
5	1349 (63.4%)	33 (31.1%)	20 (57.1%)	53 (37.6%)
4	413 (19.4%)	18 (17.0%)	11 (31.4%)	29 (20.6%)
3	98 (4.6%)	11 (10.4%)	3 (8.6%)	14 (9.9%)
2	3 (0.1%)	0 (0.0%)	0 (0.0%)	0 (0.0%)
1	3 (0.1%)	0 (0.0%)	0 (0.0%)	0 (0.0%)

Table D-32: Voluntary Separations by Performance Level For 1998 Comparison Sample

Performance Rating	Total 1998 Sample	Employees who resigned	Employees who retired	Total voluntary separations
5	595 (51.3%)	8 (33.3%)	14 (48.3%)	22 (41.5%)
4	350 (30.2%)	6 (25.0%)	8 (27.6%)	14 (26.4%)
3	138 (11.9%)	4 (16.7%)	7 (24.1%)	11 (20.8%)
2	0 (0.0%)	0 (0.0%)	0 (0.0%)	0 (0.0%)
1	1 (0.1%)	0 (0.0%)	0 (0.0%)	0 (0.0%)

Table D-33: Separations by Education Level and Career Path NH for Demonstration Sample

	1998 Demo Sample	1999 Demo Sample
High School Graduate or Less	13 (13.3%)	7 (13.0%)
Terminal Occupation Program	0 (0.0%)	0 (0.0%)
Some College/Associate's Degree	22 (22.4%)	18 (33.1%)
Bachelor's Degree	38 (38.8%)	13 (24.1%)
Some Graduate School	6 (6.1%)	1 (1.9%)
Master's Degree	14 (14.3%)	11 (20.4%)
Some Graduate School Beyond Master's Degree	4 (4.1%)	1 (1.9%)
Doctorate or Higher	1 (1.0%)	3 (5.6%)
	98	54

Table D-34: Separations by Education Level and Career Path NJ for Demonstration Sample

	1998 Demo Sample	1999 Demo Sample
High School Graduate or Less	4 (44.4%)	2 (40.0%)
Terminal Occupation Program	1 (11.2%)	0 (0.0%)
Some College/Associate's Degree	4 (44.4%)	3 (60.0%)
Bachelor's Degree	0 (0.0%)	0 (0.0%)
Some Graduate School	0 (0.0%)	0 (0.0%)
Master's Degree	0 (0.0%)	0 (0.0%)
Some Graduate School Beyond Master's Degree	0 (0.0%)	0 (0.0%)
Doctorate or Higher	0 (0.0%)	0 (0.0%)
	9	5

Table D-35: Separations by Education Level and Career Path NK for Demonstration Sample

	1999 Demo Sample	1999 Demo Sample
High School Graduate or Less	113 (72.0%)	120 (86.3%)
Terminal Occupation Program	0 (0.0%)	0 (0.0%)
Some College/Associate's Degree	36 (22.9%)	17 (12.3%)
Bachelor's Degree	8 (5.1%)	2 (1.4%)
Some Graduate School	0 (0.0%)	0 (0.0%)
Master's Degree	0 (0.0%)	0 (0.0%)
Some Graduate School Beyond Master's Degree	0 (0.0%)	0 (0.0%)
Doctorate or Higher	0 (0.0%)	0 (0.0%)
	157	139

Table D-36: Separations by Education Level and Career Path NH for Comparison Sample

	1998 Comp Sample	1999 Comp Sample
High School Graduate or Less	5 (12.2%)	5 (7.4%)
Terminal Occupation Program	0 (0.0%)	2 (2.9%)
Some College/Associate's Degree	8 (19.5%)	9 (13.2%)
Bachelor's Degree	12 (29.3%)	23 (33.8%)
Some Graduate School	2 (4.9%)	9 (13.2%)
Master's Degree	13 (31.7%)	18 (26.5%)
Some Graduate School Beyond Master's Degree	0 (0.0%)	1 (1.5%)
Doctorate or Higher	1 (2.4%)	1 (1.5%)
Total	41	68

Table D-37: Separations by Education Level and Career Path NJ for Comparison Sample

	1998 Comp Sample	1999 Comp Sample
High School Graduate or Less	1 (16.7%)	1 (14.3%)
Terminal Occupation Program	1 (16.7%)	1 (14.3%)
Some College/Associate's Degree	2 (33.2%)	3 (42.8%)
Bachelor's Degree	0 (0.0%)	1 (14.3%)
Some Graduate School	1 (16.7%)	1 (14.3%)
Master's Degree	1 (16.7%)	0 (0.0%)
Some Graduate School Beyond Master's Degree	0 (0.0%)	0 (0.0%)
Doctorate or Higher	0 (0.0%)	0 (0.0%)
	6	7

Table D-38: Separations by Education Level and Career Path NK for Comparison Sample

	1998 Comp Sample	1999 Comp Sample
High School Graduate or Less	27 (75.0%)	22 (64.7%)
Terminal Occupation Program	0 (0.0%)	0 (0.0%)
Some College/Associate's Degree	5 (13.9%)	10 (29.5%)
Bachelor's Degree	4 (11.1%)	1 (2.9%)
Some Graduate School	0 (0.0%)	0 (0.0%)
Master's Degree	0 (0.0%)	1 (2.9%)
Some Graduate School Beyond Master's Degree	0 (0.0%)	0 (0.0%)
Doctorate or Higher	0 (0.0%)	0 (0.0%)
	36	34

2.2 Attitude Survey

The main results of the 1998 employee attitude survey were reported to the Executive Council in December 1999 in the “*Employee Attitude Survey – Baseline Results*” report. Response frequency distributions were developed for survey questions that assessed employee attitudes about the demonstration project's primary and secondary interventions. These frequency counts were then converted into percentages. As part of this conversion, response categories were grouped in order to reflect overall agreement or disagreement with a particular statement (e.g., the percent of respondents who answered "strongly agree" and the percent who answered "agree" were combined in order to calculate "% agreement").

2.2.1 Analysis Methodology.

The initial summary analyses of the baseline survey data consisted of developing response frequency distributions for the following survey questions:

- Demographics (Questions 2, 3, 4)
- Education (Question 13)
- Length of Service (Question 5)
- Experience (Question 85)
- Career Path/Occupation (Question 6)
- Perceived Fairness (Questions 19, 24, 25, 26, 27, 41, 42, 77)
- Perceived Flexibility (Questions 44, 46, 47, 48, 49, 50, 51)
- Satisfaction with Pay (Questions 28, 35)
- Perceived Pay-Contribution Link (Questions 36, 38, 39, 40, 54)
- Perceived Organizational Effectiveness (Questions 93, 94, 95, 96, 98)
- General Job Satisfaction (Question 18)
- Satisfaction with Personnel Services (Questions 108, 109a, 109b, 109c)

Frequency distributions were then developed for survey questions that assessed employee attitudes about the project's primary and secondary interventions.

Primary Interventions

1. Simplified Accelerated Hiring
 - Perceived Hiring Flexibility (Questions 62, 63)
 - Perceived Quality of New Hires (Questions 64, 65, 66, 67, 136, 139)
2. Contribution-Based Compensation and Appraisal System
 - Pay-contribution Correlation (Questions 20, 27, 28, 35-42)
 - Perceived Pay-Contribution Link (Questions 36, 38, 39, 40, 54)
 - Perceived Fairness of Ratings (Questions 24, 25, 26, 27)
 - Perceived Fairness of Awards (Questions 36, 37, 40, 41, 42)
 - Employees' Trust in Supervisors (Questions 41, 42, 116, 117, 122)
 - Adequacy of Contribution and Performance Feedback (Questions 117, 118, 122)
 - Employee Satisfaction with Pay (Questions 19, 20, 21, 28)

3. Modified Appointment Authority
 - Perceived Flexibility of Appointing Authorities (Question 51)
4. Simplified Classification System
 - Perceived Classification Flexibility – General (Questions 47, 56, 57)
 - Perceived Classification Flexibility-Supervisors (Questions 130, 132, 134, 135)
 - Perceived Classification Timeliness (Question 58)
5. Academic Degree and Certificate Training
 - Satisfaction with Training Opportunities (Questions 80, 81, 82)
 - Perceived Flexibility (Questions 44, 47, 49, 50)

Secondary Interventions

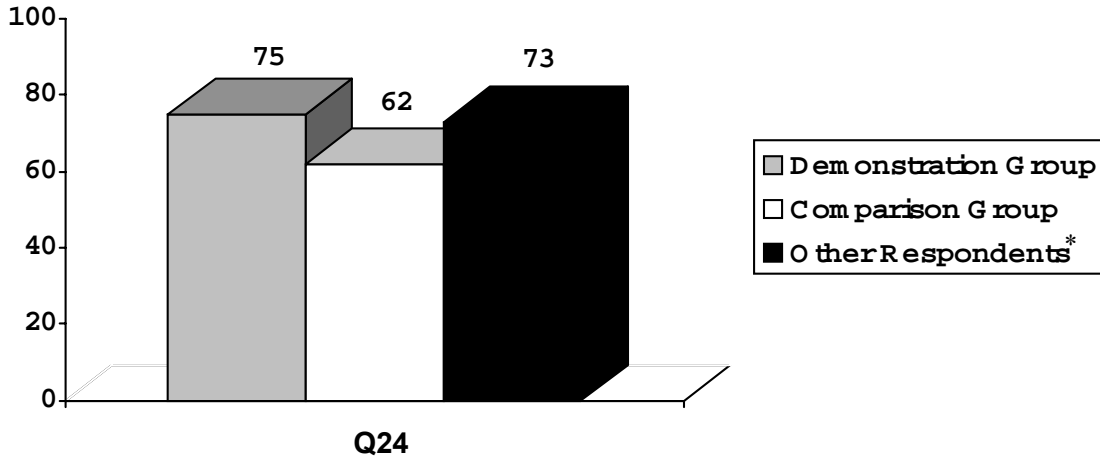
6. Expanded Candidate Selection Process
 - Same as Intervention 1
7. Flexible Probationary Period
 - Supervisors’ perceptions of probationary period (Questions 137, 138)
8. Broadbanding
 - Employees Perception of Pay Satisfaction and Pay Equity (Questions 19, 20, 21, 28, 29, 35, 54)
9. Simplified, Modified RIF
 - Perceived Fairness of RIF Process (Questions 69a, 69b, 69c)

(Note that survey questions will not be used to evaluate Intervention 10 - Sabbaticals and Intervention 11 – Voluntary Emeritus Program. These interventions will be analyzed using data on the number of participants and their demographics, obtained from workforce databases.)

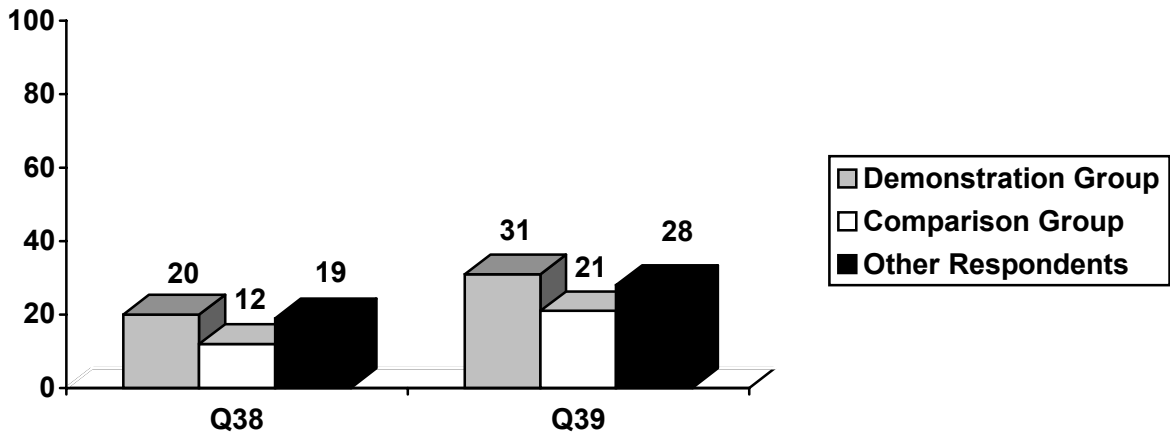
2.2.2 Survey Highlights.

Overall, the baseline attitudes for both the demonstration group and Comparison Group participants were very similar. Of the 61 questions analyzed, the demonstration group and the Comparison Group did not differ by more than 5% in their percent agreement (i.e., "Agree/Strongly Agree") on 40 questions. The graphs below highlight the demonstration group’s response to some of the survey questions related to the demonstration project’s primary interventions and provide an overall view of the demonstration. These responses can be used by the evaluation team to identify areas of particular attention in analysis of workforce data or the conduct of Focus Groups with demonstration participants. All responses are in terms of percent agreement.

Perceived Fairness of Ratings – (Question 24) “My performance rating represents a fair and accurate picture of my actual performance.”

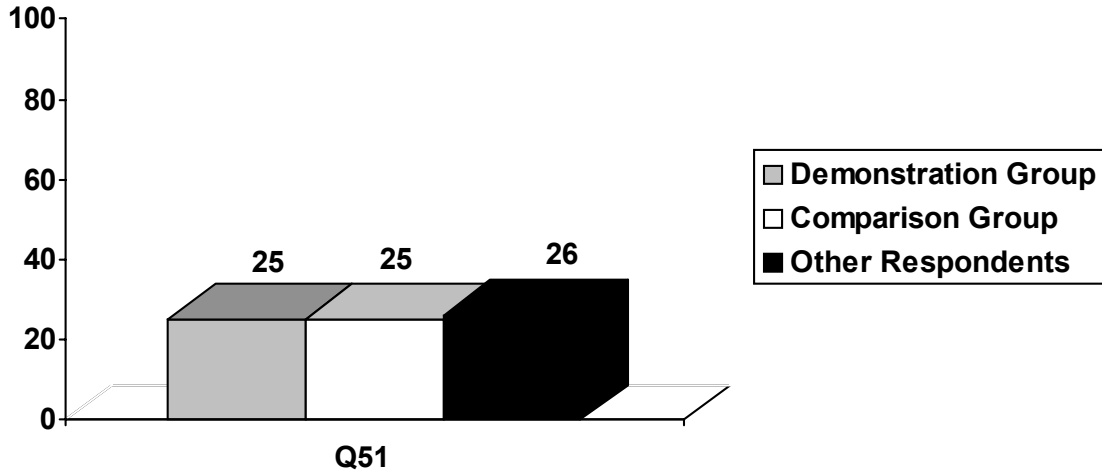


Perceived Pay-Contribution Link – (Question 38) “Pay raises depend on my contribution to the organization’s mission” and (Question 39) “Pay raises depend on how well I perform.”

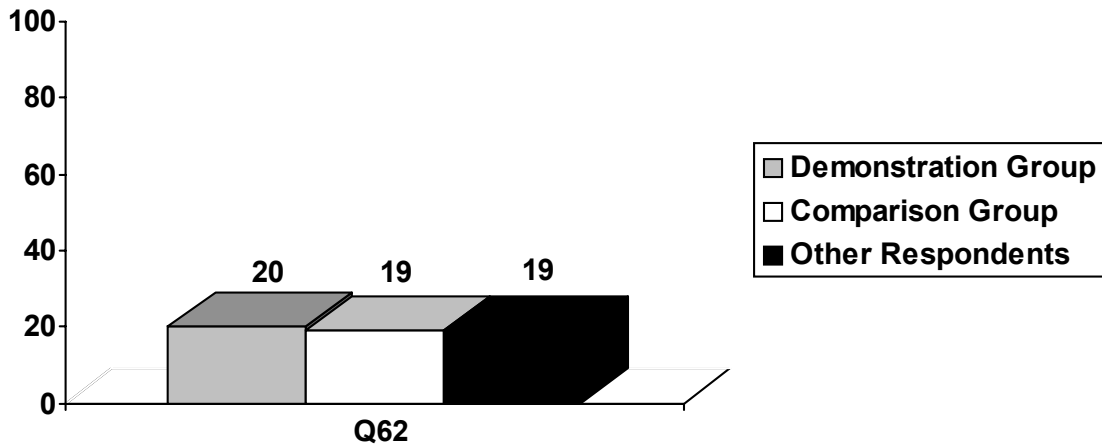


* The category “Other Respondents” means individuals who responded to the first survey but did not join the demonstration, nor are a part of the Comparison Group.

Perceived Flexibility of Appointing Authorities—(Question 51) “Current appointing authorities provide the flexibility needed to make workforce adjustments in response to workload and mission changes.”



Perceived Hiring Flexibility—(Question 62) “I am satisfied with the process used to fill vacancies here.”



2.2.3 Demonstration Group’s Overall View of the Demo - 1998 Attitude Survey.

Total sample – 2, 748
 Employees – 2, 099 (76.4%)
 Supervisors – 638 (23.2%)

- Respondents were identified as an employee or supervisor depending on their answer to question 11 – What is your current level of supervisory responsibility? Those respondents who answered “none” or “team leader” were categorized as an employee; all other responses were categorized as a supervisor.
- 11 respondents did not answer question 11.

Question 126. I have received information about a demonstration personnel system for the acquisition workforce at my organization/center/activity.

	Overall	Employees	Supervisors
Yes	2,276 (83.5%)	1,727 (82.9%)	540 (85.3%)
No	450 (16.5%)	355 (17.1%)	93 (14.7%)

Question 126a. If yes, I am in favor of the demonstration project for my organization.

	Overall	Employees	Supervisors
Not at all	685 (30.3%)	555 (32.4%)	127 (23.6%)
To a small extent	402 (17.8%)	330 (19.3%)	71 (13.2%)
To a moderate extent	609 (26.9%)	465 (27.1%)	142 (26.4%)
To a great extent	289 (12.8%)	203 (11.8%)	86 (16.0%)
To a very great extent	275 (12.2%)	161 (9.4%)	112 (20.8%)

Responses to question 126a, regardless of whether respondent answered “yes” to question 126.

	Overall	Employees	Supervisors
Not at all	734 (30.5%)	596 (32.7%)	135 (23.7%)
To a small extent	430 (17.9%)	352 (19.3%)	77 (13.5%)
To a moderate extent	646 (26.9%)	491 (26.9%)	152 (26.7%)
To a great extent	313 (13.0%)	221 (12.1%)	92 (16.2%)
To a very great extent	280 (11.7%)	165 (9.0%)	113 (19.9%)

Given the sample sizes and the similarity in the responses of the two groups, the survey data is statistically and programmatically adequate as a baseline for future analyses. In subsequent evaluation reports, attitudinal shifts resulting from the demonstration interventions will be reported by tracking changes in the responses to these 61 items over time, in both the demonstration population and the Comparison Group. The baseline values of these 61 items are contained in Appendix E.

2.3 Focus Groups

As with other data, it would be premature to attempt to draw significant conclusions from the initial set of Focus Groups conducted to date. However, some patterns of participant response are emerging.

As part of a wrap-up exercise for all Focus Group sessions, participants are asked to specify one way in which AcqDemo is working, and one way in which AcqDemo should be improved—see Appendix B—Focus Group Protocol. The two tables below summarize Focus Group views on ways in which the demonstration project is working and ways in which AcqDemo should be improved, respectively. Most employee and supervisor comments and concerns center around CCAS—this is not surprising since CCAS directly affects all participants in terms of compensation.

Table D-39: Ways AcqDemo is Working

Comment	Belvoir General	Pendleton - Non-Sup	Pendleton - NJ, NK	Pendleton - Sup	Edwards - Non-Sup	Edwards - Sup	Edwards - Pay Pool Panel	Picatinny - Non-Sup	Picatinny - Sup	NAVSEA – NJ/NK	NAVSEA – Non-Sup	NAVSEA - Sup
Managers can hire more competitively; more flexibility				*	**	*	**					
Compensate those who contribute more	*****	****	***	**			*	****	***	***	***	****
Self-assessment makes you think about how to improve		*			*							
Can assume responsibility and be compensated later					*							
Enhance promotions by listing achievements					*							
Accountability and justification for the assessments						*						
Employees not pulling their weight get message			**	***		*	*	***	*			
Employees more aware of how they contribute to mission	*		**	*		*					***	
Improved motivation	*	*					*					
Managerial flexibility		**		*			**		*	*		
Advancement without formal promotion	*	**	*					*				
Can get rid of non-contributors			*	*								
Can retain quality people				**								
Better Appraisals									***	*		

* Note: Each asterisk indicates a comment by a Focus Group participant.

Table D-40: Ways AcqDemo Needs Improvement

Comment	Belvoir General	Pendleton - Non-Sup	Pendleton - NJ, NK	Pendleton - Sup	Edwards - Non-Sup	Edwards - Sup	Edwards - Pay Pool Panel	Picatinny - Non-Sup	Picatinny - Sup	NAVSEA – NJ/NK	NAVSEA – Non-Sup	NAVSEA - Sup
Emphasize team contribution more					*							
Better training for supervisors					*				**	*	*	**
Improve counseling from supervisor	*	**	***		**			**				
Improve communication and training	**	**		****	**			*		**	*	
Place more weight on 1 st -line supervisor ratings			**			*		*				
NH-II broadband is too wide						*						
Make CCAS less labor-intensive						**	*			*	*	*
Improve funding for training							*					
Compensate immediately for more responsibility							*					
Get workforce shaping provisions							****					
Fix adjective rating problem							*					
Weight factors for different jobs		***		***						*		
More open pay pool panel process	**		***					*			*	
Unfair to capped employees									**		**	*
Lessen favoritism	*											

* Note: Each asterisk indicates a comment by a Focus Group participant.

2.4 Site Historian Logs

There is no standalone analysis of site historian logs this early in the program. To this point, the logs have been useful in preparing for Focus Groups; we anticipate that they will become more critical in the latter stages of analysis and evaluation. However, comparison of site histories from various locations and pay pools indicates that additional training of site historians may be necessary in some cases. The quality of the inputs has been uneven. Over the next six months, the PO and the evaluation contractor will work with the site historians on submittals and improved quality.

Selected Site History Events. (Note: These selected extracts are snapshot reports and may describe events and conditions that are no longer valid or applicable.)

AIR FORCE	Dec 99 - SR Technics America Ltd., a Swiss airline maintenance company announces plans for aircraft maintenance facility at Plant 42 in Palmdale. Employment may total 1000 by June 2000 and 5000 within four years.
ARMY	Apr 00 - A questionnaire was sent to the workforce to assess overall demo satisfaction. Results indicated that both employees and supervisors approved of the demo and favored it over TAPES.
MARINE CORPS	Aug 99 - Program Manager Ammunition moved from Clarendon, VA to Marine Corps Base, Quantico, VA. 22 civilian employees transferred; no change in mission or functions performed.
NAVY	May 99 - NAVSEA announced an A-76 study of all Clerical and Administrative positions through grade 8; later they added all GS-9/10 clerical and administrative positions. Vacancies will be filled with contract employees until the results of the study are final.
Comparison Group	Oct 99 - Manpower Office announced A-76 studies for the Customer Service Section of the Military Personnel Flight, the Education and Training Squadron, and for three positions in the Services Squadron.

2.5 Cost Data

As requested, all four Services, USD (AT&L), and the AcqDemo Program Office provided reports on project costs in the categories requested: Start-up, Implementation, Operation, and Evaluation. The table below shows these costs for the AcqDemo project from late FY96 through FY99. Because the buy-in costs were a one-time feature of AcqDemo, because some of the costs for WGIs and quality step increases would have been paid in the same period even under the title 5 system, and because these buy-in costs are clearly severable from other costs, the evaluation team has elected to show buy-in costs as a discrete total.

To the extent possible, the AcqDemo Components have reported costs, using the same data call categories, counting rules, and roll-ups. While there will always be differences in calculating costs, the evaluation team presents this Component cost data and the totals as a fair summary of the funds that participating organizations expended for AcqDemo start-up through development and training to implementation and evaluation.

2.5.1 This baseline of AcqDemo costs, totaling about \$15.7 million—with an additional nearly \$3 million for buy-in costs—will serve as a foundation for program cost analyses over the five years of the demonstration. The totals will also serve as a baseline for costs and benefits calculations that senior leaders will make in judging the worth of the project in returning positive results for the funds expended.

2.5.2 There are several observations and premises that need statement and clarification before presenting the cost data:

- Many of the start-up costs from FY96 to FY99 would have been incurred whether there were 5,000 or 74,000 participants: for example, development of the *Federal Register* notices and the *Operating Procedures*.
- The higher the number of AcqDemo participants, as many as 14,766 eligibles in the second *Federal Register* notice, obviously the less the average cost per participant would be for the start-up and early implementation of the demonstration. With growth in the AcqDemo population, the start-up average costs will diminish.
- Once the second appraisal and pay adjustment cycle is concluded, the CCAS processes and interventions will be routine and therefore less costly to staff and administer.
- The web-based training and workbooks for employees, supervisors, and managers will all be completed in CY00, with only limited revision and maintenance requirements in the future.
- The contract for program evaluation has been let and priced below costs that had been forecast for the next four years.
- Looking at the costs for the program as a whole, the average total cost per participant (excluding buy-in costs) is about \$3,148.
- The annual cost per participant should decline over time as the start-up and implementation phases are completed. Operation and Evaluation costs will continue, but will decrease on a per-capita basis. These costs in FY 1999, for example, were about \$776 per participant.

SECTION D —
BASELINE ANALYSIS

	FY 96	FY 97	FY 98	FY 99	Total
Army					
Startup	319269	291122	522366	216202	1348959
Implementation	0	9277	50349	1078205	1137831
Operation	267	9531	107821	668833	786452
Evaluation	<u>0</u>	<u>0</u>	<u>0</u>	<u>62614</u>	<u>62614</u>
Total	319536	309930	680536	2025854	3335856
Buy-in				849582	
Navy					
Startup	0	58500	88000	61000	207500
Implementation	0	11000	60000	203000	274000
Operation	0	0	3000	46000	49000
Evaluation	<u>0</u>	<u>15000</u>	<u>30000</u>	<u>10000</u>	<u>55000</u>
Total	0	84500	181000	320000	585500
Buy-in				572000	
Air Force					
Startup	52340	371141	936250	235200	1594931
Implementation	0	0	35112	598426	633538
Operation	0	0	34183	1106934	1141747
Evaluation	<u>0</u>	<u>0</u>	<u>0</u>	<u>13480</u>	<u>13480</u>
Total	52340	371141	1005545	1954040	3383066
Buy-in				954224	
Marine Corps					
Startup	5905	144603	181712	350183	682403
Implementation	0	10124	68967	29322	108413
Operation	0	0	24678	254131	278809
Evaluation	<u>0</u>	<u>0</u>	<u>0</u>	<u>206728</u>	<u>206728</u>
Total	5905	154727	275357	840364	1276353
Buy-in				260928	
AT&L					
Startup	0	0	58030	58030	116060
Implementation	0	0	142360	216860	359220
Operation	0	0	0	450000	450000
Evaluation	<u>0</u>	<u>0</u>	<u>225000</u>	<u>225000</u>	<u>450000</u>
Total	0	0	425390	949890	1375280
Buy-in				238000	
Program Office					
Startup	30000	1820000	1924000	190000	3964000
Implementation	0	159000	500000	227000	886000
Operation	0	0	0	749000	749000
Evaluation	<u>0</u>	<u>0</u>	<u>133000</u>	<u>98000</u>	<u>231000</u>
Total	30000	1979000	2557000	1264000	5830000
Buy-in					
AcqDemo Total					
Startup	407514	2685366	3710358	1110615	7913853
Implementation	0	189401	856788	2352813	3399002
Operation	267	9531	169682	3274898	3455008
Evaluation	<u>0</u>	<u>15000</u>	<u>388000</u>	<u>615822</u>	<u>1018822</u>
AcqDemo FY Totals	407781	2899298	5124828	7354148	\$15,786,055
Total Buy-in			\$2,874,734		

2.6 Personnel Office Data

The following charts summarize Personnel Office data received to date. As expected, all data elements are not available from all Components (see Section D, 1.1.2). This is consistent with the Executive Council’s direction that new, especially manual, reporting requirements should be avoided. Nevertheless, the information below is a representative sample of AcqDemo as a whole. The Evaluation Working Group will continue to seek ways to obtain this type of information from various sources, including forthcoming reports from Modern DCPDS. In addition, the EWG will use a case-study approach to fill any critical gaps identified.

Hiring-related Data—AcqDemo Organizations

Hiring Timeliness: Average Number of Days from Date of Position Fill Request to:	Calendar Year 1998	Calendar Year 1999
1.Date Referral List Issued	Air Force-* Army-* AT&L-* Navy-30 USMC-35	Air Force-56.2 Army-100.0 AT&L-89.9 Navy-35 USMC-30
2.Date Selection Made	Air Force-* Army-* AT&L-* Navy-37 USMC-65	Air Force-119.9 Army-118.5 AT&L-119.1 Navy-42 USMC-47
3. EOD Date	Air Force-* Army-* AT&L-* Navy-47 USMC-82	Air Force-150.1 Army-153.6 AT&L-123.6 Navy-52 USMC-64
Offer/Acceptance Ratio: Number of Job Offers	Air Force-* Army-* AT&L-* Navy-19 USMC-*	Air Force-143 Army-21 AT&L-9 Navy-15 USMC-*
Number of Acceptances	Air Force-* Army-* AT&L-* Navy-17 USMC-*	Air Force-142 Army-20 AT&L-9 Navy-15 USMC-*
Number of Declinations	Air Force-* Army-* AT&L-* Navy-2 USMC-*	Air Force-1 Army-1 AT&L-0 Navy-0 USMC-*
First-list Fills (optional): Total number of positions filled		Air Force-142 Army-9 AT&L-9
Number filled from first referral list		Air Force-141 Army-6 AT&L-9

*Data Not Provided

Hiring Timeliness—Non-Demo Organizations

Hiring Timeliness: Average Number of Days from Date of Position Fill Request to:	Calendar Year 1998	Calendar Year 1999
1.Date Referral List Issued	Comp. Grp.-65.4 Air Force-* Army-54.6 AT&L-75.0 Navy-* USMC-*	Comp. Grp.-63.1 Air Force-57.5 Army-44.3 AT&L-* Navy-* USMC-*
2.Date Selection Made	Comp. Grp.-111.1 Air Force-* Army-75.4 AT&L-93.8 Navy-* USMC-*	Comp. Grp.-93.1 Air Force-100.9 Army-71.3 AT&L-* Navy-* USMC-*
3. EOD Date	Comp. Grp.-136.2 Air Force-* Army-100.1 AT&L-135.3 Navy-* USMC-*	Comp. Grp.-130.0 Air Force-132.1 Army-98.8 AT&L-* Navy-* USMC-*
Offer/Acceptance Ratio: Number of Job Offers	Comp. Grp.-224 Air Force-* Army-7,328 AT&L-6 Navy-* USMC-*	Comp. Grp.-211 Air Force-196 Army-11,238 AT&L-* Navy-* USMC-*
Number of Acceptances	Comp. Grp. -224 Air Force-* Army-6970 AT&L-6 Navy-* USMC-*	Comp. Grp.-211 Air Force-196 Army-10,643 AT&L-* Navy-* USMC-*
Number of Declinations	Comp. Grp.-0 Air Force-* Army-358 AT&L-0 Navy-* USMC-*	Comp. Grp.- 0 Air Force-0 Army-595 AT&L-* Navy-* USMC-*
First-list Fills (optional): Total number of positions filled	Army-4443 Comp. Grp.-224 AT&L-6	Army-8420 Comp. Grp.-211 Air Force-142
Number filled from first referral list	Army-3545 Comp. Grp.-136 AT&L-6	Army-6563 Comp. Grp.-149 Air Force-141

Classification-Related Data—AcqDemo Organizations

Components reported for organizations/units participating in AcqDemo—before and after implementation of Position Requirements Document (PRD) provisions.

	Pre-Demo Data	Post-Demo Data
Number of Employees	Air Force (SAF/AQ)-116 Army* AT&L-360 Navy (Team CX)-530 USMC (SYSCOM)-438	Air Force-116 Army* AT&L-294 Navy-530 USMC-414
Number of Unique PDs/PRDs	Air Force-116 Army* AT&L-228 Navy-480 USMC-451	Air Force-87 Army* AT&L-134 Navy-8 USMC-55
Average No. of Pages Per PD/PRD	Air Force-6.5 Army* AT&L-6 Navy-7.5 USMC-7	Air Force-2.0 Army* AT&L-3 Navy-4 USMC-3
PD/PRD Preparation Time	Air Force-1.5 hours Army* AT&L-13 hours Navy-5 to 30 days USMC-14 days	Air Force-0.25 hours Army* AT&L-1 hour Navy-1 to 2 days USMC-0.1 hours

*Data Not Provided

Grievances, Appeals, and Complaints—AcqDemo Organizations

	Calendar Year 1998	Calendar Year 1999
Number of employees on board as of the end of the Calendar Year.	Air Force* Army-1580 AT&L-360 Navy* USMC -438	Air Force-2063 Army-1610 AT&L-294 Navy-530 (NAVSEA) USMC-399
Number of formal written grievances under administrative grievance system or a negotiated grievance procedure.	Air Force* Army-5 AT&L-0 Navy* USMC*	Air Force-14 Army-4 AT&L-1 Navy-2 USMC*
Number of formal adverse action appeals to the Merit Systems Protection Board (MSPB). Break out as follows:	Air Force* Army-5 AT&L-0 Navy* USMC-0	Air Force-0 Army-2 AT&L-0 Navy* USMC-0
RIF appeals	Air Force* Army-0 AT&L-0 Navy* USMC-0	Air Force-0 Army-0 AT&L-0 Navy* USMC-0
• Performance-based actions	Air Force*	Air Force-0

	Army-2 AT&L-0 Navy* USMC-0	Army-1 AT&L-0 Navy* USMC-0
• Conduct-based actions	Air Force* Army-1 AT&L-0 Navy* USMC-0	Air Force-0 Army-1 AT&L-0 Navy* USMC-0
• Other	Air Force* Army-2 AT&L-0 Navy* USMC-0	Air Force-0 Army-0 AT&L-0 Navy* USMC-0
Number of individuals filing formal discrimination complaints	Air Force* Army-5 AT&L-1 Navy* USMC-3	Air Force-3 Army-8 AT&L-1 Navy* USMC-7
Number of formal Unfair Labor Practice Charges filed	Air Force* Army-0 AT&L-0 Navy* USMC*	Air Force-0 Army-1 AT&L-0 Navy* USMC*

*Data Not Provided Note: AT&L data for Oct-Dec 1998 and Oct-Dec 1999

Grievances, Appeals, and Complaints—Non-Demo Organizations

	Calendar Year 1998	Calendar Year 1999
Number of employees on board as of the end of the Calendar Year.	Air Force-4146 Army* AT&L-136 Navy-3186 USMC*	Air Force-4094 Army* AT&L Navy* USMC*
Number of formal written grievances under administrative grievance system or a negotiated grievance procedure.	Air Force-42 Army* AT&L-0 Navy* USMC*	Air Force-40 Army* AT&L-1 Navy* USMC*
Number of formal adverse action appeals to the Merit Systems Protection Board (MSPB). Break out by subject matter as follows:	Air Force-1 Army* AT&L-0 Navy* USMC*	Air Force-2 Army* AT&L-0 Navy* USMC*
• RIF appeals	Air Force-0 Army* AT&L-0 Navy* USMC*	Air Force-0 Army* AT&L-0 Navy* USMC*
• Performance-based actions	Air Force-0 Army* AT&L-0 Navy* USMC*	Air Force-0 Army* AT&L-0 Navy* USMC*

• Conduct-based actions	Air Force-1 Army* AT&L-0 Navy* USMC*	Air Force-1 Army* AT&L-0 Navy* USMC*
• Other	Air Force-0 Army* AT&L-0 Navy* USMC*	Air Force-1 Army* AT&L-0 Navy* USMC*
Number of individuals filing formal discrimination complaints	Air Force-8 Army* AT&L-1 Navy-17 USMC*	Air Force-22 Army* AT&L-1 Navy-29 USMC*
Number of formal Unfair Labor Practice Charges filed	Air Force-36 Army* AT&L-0 Navy* USMC*	Air Force-13 Army* AT&L-0 Navy* USMC*

*Data Not Provided Note: AT&L data for Oct-Dec 1998 and Oct-Dec 1999

Chapter 3 CCAS Results

3.1 CCAS Data

Under CCAS, each employee’s contribution to the organization’s mission is measured on the following six factors:

- Problem Solving
- Teamwork and Cooperation
- Customer Relations
- Leadership and Supervision
- Communication
- Resource Management

Each employee’s OCS is the weighted average of the six factor scores. For the first cycle all factor weights were set at 1.0; in the future the weights may vary by Occupational Series. As shown in Table D-40, the AcqDemo workforce is divided into three career paths and four broadbands with different OCS and pay ranges.

Table D-40: AcqDemo Broadbands and Career Paths

Broadband	Business and Technical Management Professional (NH)	Technical Management Support (NJ)	Administrative Support (NK)
I	OCS = 0-29 Pay = GS-1 to 4	OCS = 0-29 Pay = GS-1 to 4	OCS = 0-29 Pay = GS-1 to 4
II	OCS = 22-66 Pay = GS-5 to 11	OCS = 22-51 Pay = GS-5 to 8	OCS = 22-46 Pay = GS-5 to 7
III	OCS = 61-83 Pay = GS-12 to 13	OCS = 43-66 Pay = GS-9 to 11	OCS = 38-61 (70) Pay = GS-8 to 10
IV	OCS = 79-100 (115) Pay = GS-14 to 15	OCS = 61-83 (95) Pay = GS-12 to 13	N/A

As shown in Figure 1 (below), pay is linked to contribution through a series of curves that define a Normal Pay Range (NPR). The middle of the NPR is an exponential curve called the Standard Pay Line (SPL). The SPL is constructed such that an OCS of zero equates to the annual basic pay of a GS-1/step 1, while an OCS of 100 equates to the annual basic pay of a GS-15/step 10. The upper boundary of the NPR is 8 percent above the SPL, while the lower boundary is 8 percent below the SPL. Employees whose basic pay falls within the NPR for their OCS are considered to be *appropriately compensated* for their level of contribution. For a given level of basic pay, the SPL can be used to determine an employee’s *expected OCS*; conversely, for a given OCS, the SPL can be used to determine an employee’s *target pay*. The difference between an employee’s target pay and actual pay affects the amount of his or her annual pay raise and contribution-based award.

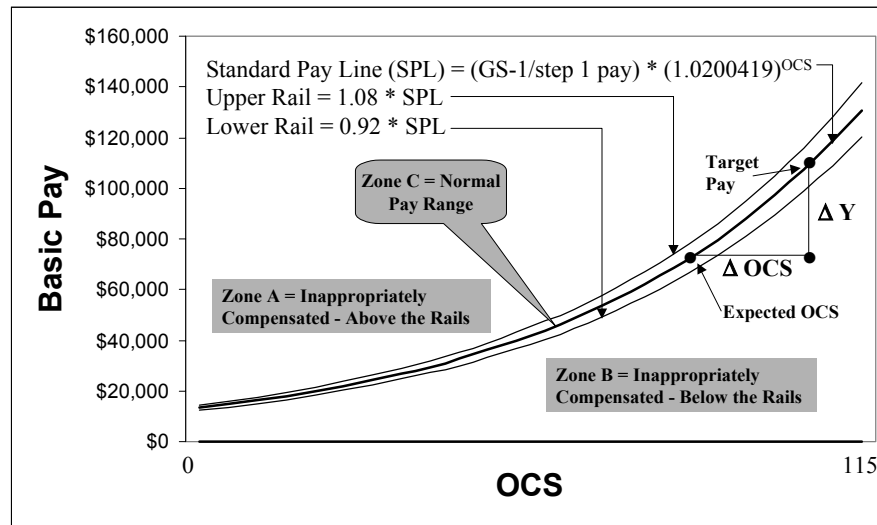


Figure 1. The Normal Pay Range

3.2 First Cycle CCAS Population

Figure 2 shows the number of employees, the number of pay pools, and the average pay pool size for each Service for the first CCAS cycle.

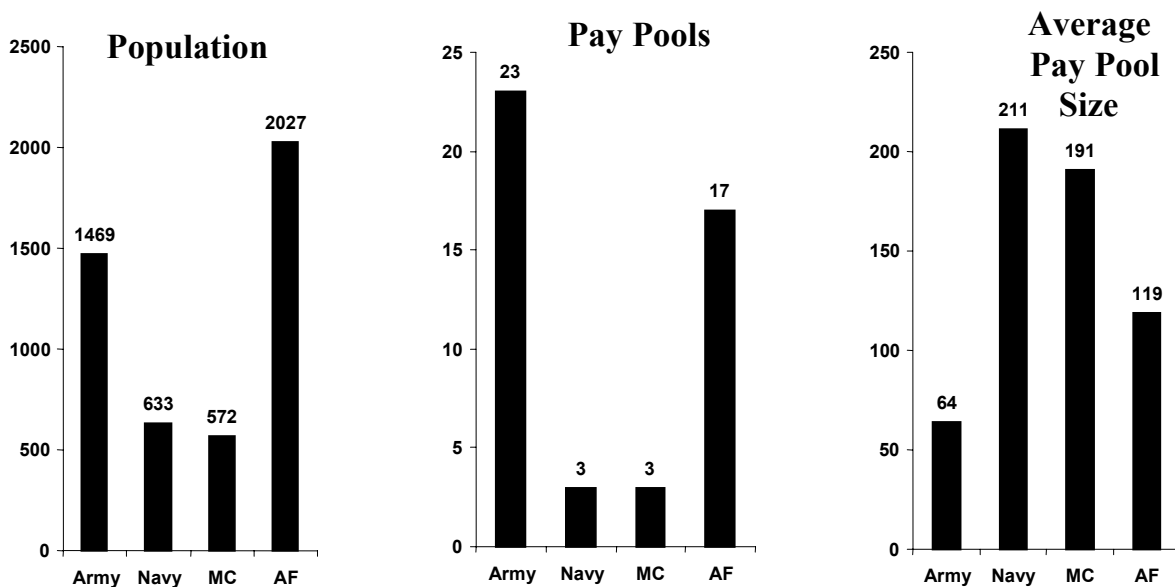


Figure 2. First Cycle Population and Pay Pools

The Air Force had the largest demonstration population, but the Army had the most pay pools. Of the 17 Air Force pay pools, all but one were located at Edwards AFB in California. The 46 pay pools ranged in size from as few as 4 employees to as many as 318. The AcqDemo *Federal*

Register announcement recommended that pay pools have at least 35 but no more than 300 employees. Eight Army and one Air Force pay pool had fewer than 35 people; one Navy pay pool exceeded 300 employees.

The NH Career Path (Business and Technical Management Professionals) made up 78 percent of the demonstration population. Administrative Support personnel (NK Career Path) made up another 16 percent, while Technical Management Support personnel (NJ Career Path) made up the remaining 6 percent. Overall, the Air Force had 43 percent of the demonstration population, but had 80 percent of the NJ and 55 percent of the NK employees

Table D-41 (below) shows average basic pay at the start of the first cycle, February 10, 1999, by Career Path and service. Overall the Navy had the highest average basic pay and the Air Force had the lowest. The differences are most likely due to geographic concentrations. Most of the Navy employees are located in headquarters organizations in the Washington D.C. area, where civil service grades tend to be higher. Most of the Air Force employees are in California at the operating installation level, where civil service grades and corresponding salaries tend to be lower.

Table D-41: Population and Average Base Pay by Career Path and Service

	Pop	%	Avg Base Pay	% of Max Pay*
NH (78%)	3,665	100.0	\$60,825	62.6
Army	1,249	34.1	\$65,715	67.6
Navy	547	14.9	\$68,981	71.0
Marine Corps	483	13.2	\$60,042	61.8
Air Force	1,386	37.8	\$53,473	55.0
NJ (6%)	280	100.0	\$39,559	56.6
Army	32	11.4	\$29,464	42.1
Navy	11	3.9	\$61,840	88.4
Marine Corps	14	5.0	\$39,776	56.9
Air Force	223	79.7	\$39,894	57.0
NK (16%)	756	100.0	\$28,483	63.8
Army	188	24.9	\$30,997	69.4
Navy	75	9.9	\$31,000	69.4
Marine Corps	75	9.9	\$28,785	64.5
Air Force	418	55.3	\$26,856	60.1

* Maximum Base Pay in 1999 was: NH = \$97,201 (GS-15/step 10); NJ = \$69,930 (GS-13/step 10); NK = \$44,658 (GS-10/step 10)

3.3 Appraisal Results

Figures 3 and 4 (below) show average Overall Contribution Score by Career Path and Service. Across all Services and Career Paths the average OCS was about 70. The Navy had the highest average OCS at 78, while the Air Force had the lowest at about 63. NH employees had an average OCS of about 77, NJs averaged 54, and NKs averaged 41. These scores closely follow

the basic pay patterns shown in Table D-41 above. In fact, the correlation between basic pay and OCS is quite high ($r = .936$). This indicates that most employees were contributing at levels appropriate to their levels of compensation.

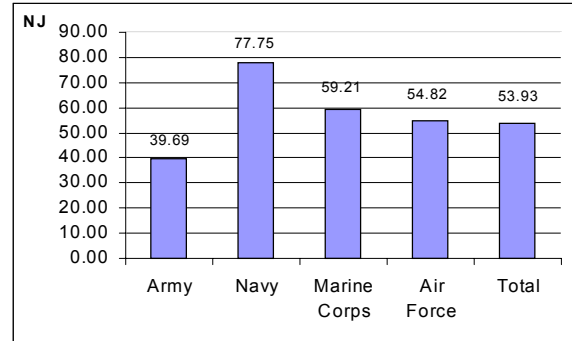
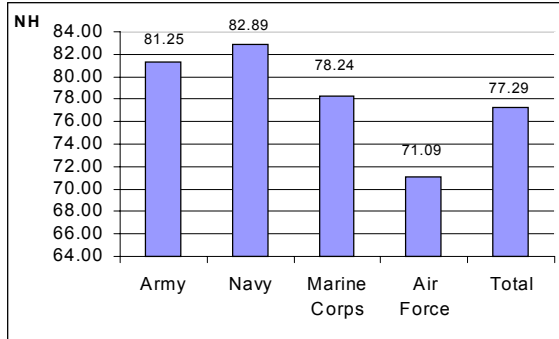


Figure 3. Average OCS for NH and NJ Employees

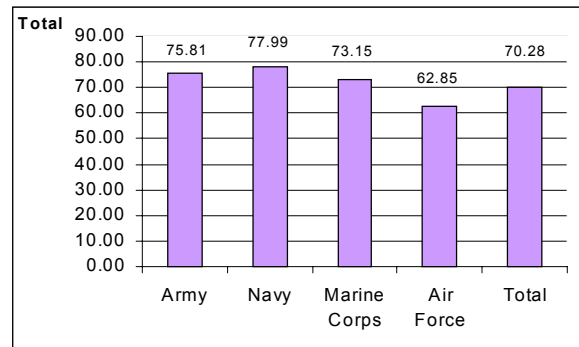
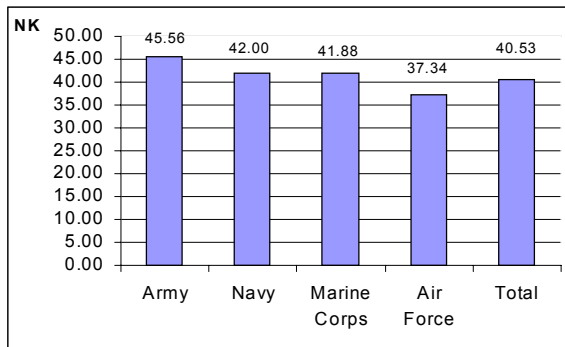


Figure 4. Average OCS for NK Employees and Total

Delta OCS is the difference between an employee’s assigned OCS and expected OCS, where expected OCS is determined by the intersection of the employee’s basic pay and the Standard Pay Line. A positive Delta OCS indicates that the employee is contributing more than expected for his or her level of compensation, while a negative Delta OCS indicates less than expected contribution. Delta OCS is a critical measure because it is the basis for adjusting pay in the CCAS software default algorithm—the more an employee contributes above the expected level, the larger percent of salary increase and award he or she should receive. Figure 5 (below) shows average Delta OCS values by Career Path and Service.

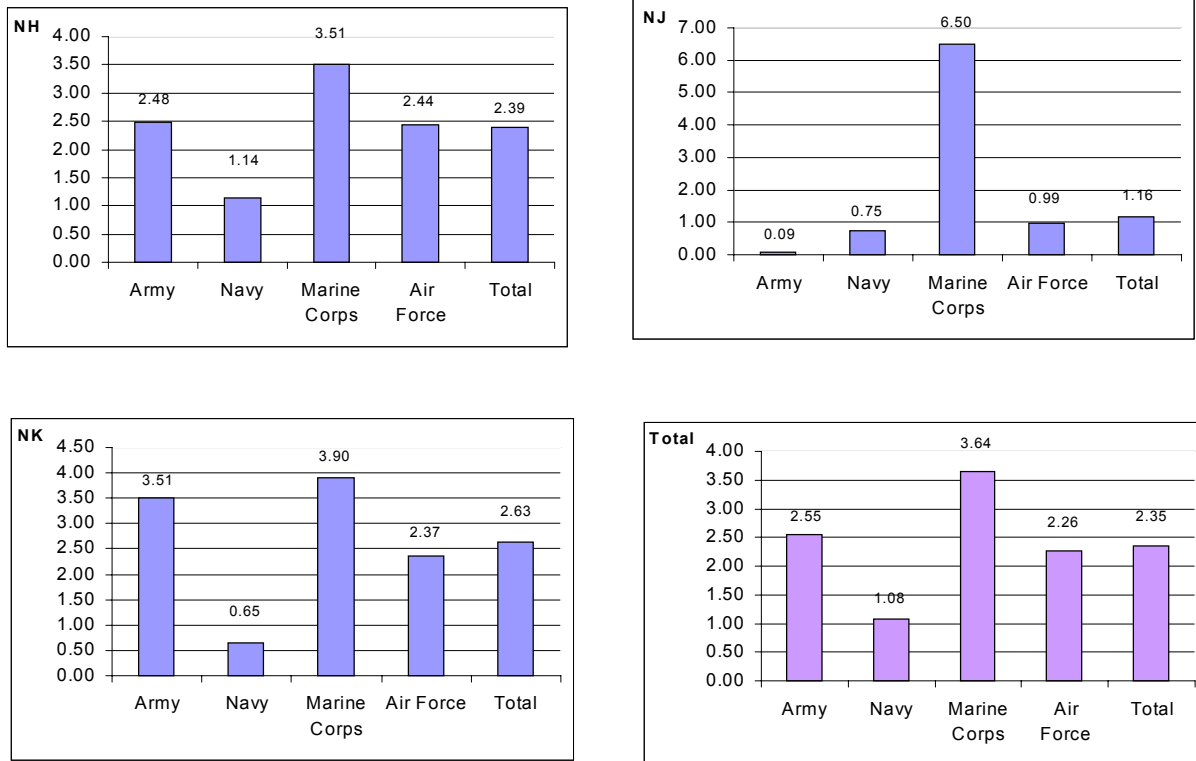


Figure 5. Average Delta OCS

The overall average Delta OCS was 2.35, a little over half the distance from the SPL to the lower boundary of the Normal Pay Range, which is 4.2 OCS points. The Marine Corps had by far the largest average Delta OCS: 3.64 compared to 2.55 for the Army, which was next largest. The Navy had the smallest average Delta OCS at 1.08. The NJ Career Path had a significantly smaller average Delta OCS (1.16) than the other two Career Paths. The Army had the largest range of Delta OCS, spanning from -71 to +32 (103 OCS points). The Navy had the smallest range, from -31 to +23 (54 OCS points).

Note: Each Service has its own culture, history, and locality issues. As a field activity, located in the southern end of Northern Virginia, the USMC has a grade structure that is historically lower than that of other Services in the Metropolitan area. USMC officials believe that the CCAS results reflected that difference and that USMC employees were recognized and appropriately compensated for their contributions.

Figure 1 (above) defined three Regions relative to the Normal Pay Range (NPR). Individuals in Region A are above the NPR, meaning their compensation is too high for their contribution. Individuals in Region B are below the NPR, meaning their compensation is too low for their contribution. Individuals in Region C are in the NPR, meaning their compensation is appropriate for their contribution. Many of the AcqDemo pay adjustment rules are based on Region. Figure 6 (below) shows the Region distribution by Career Path.

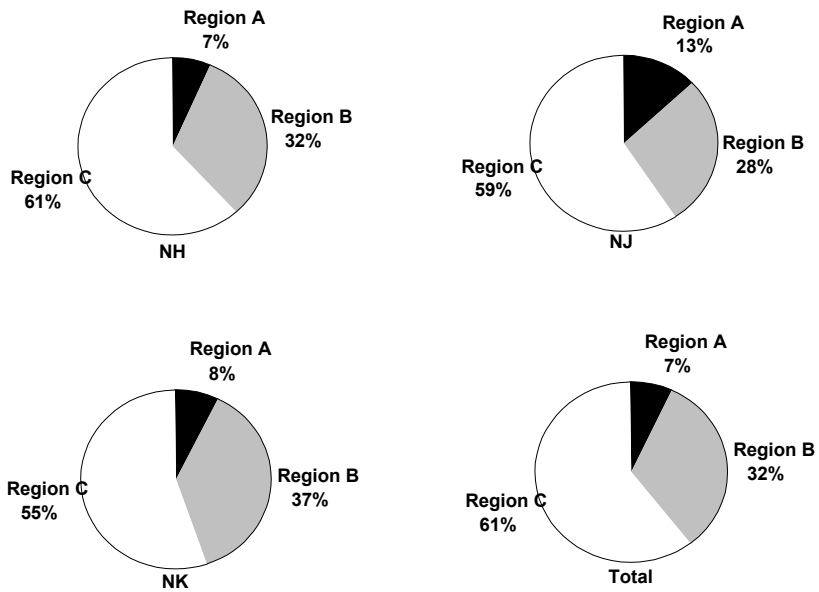


Figure 6. Region Distribution by Career Path

Overall, 61 percent of the demonstration employees fell in the appropriately compensated category (Region C), while 32 percent were below the NPR (Region B) and 7 percent were above the NPR (Region A). Employees in the NJ Career Path had the largest Region A and smallest Region B population percentages.

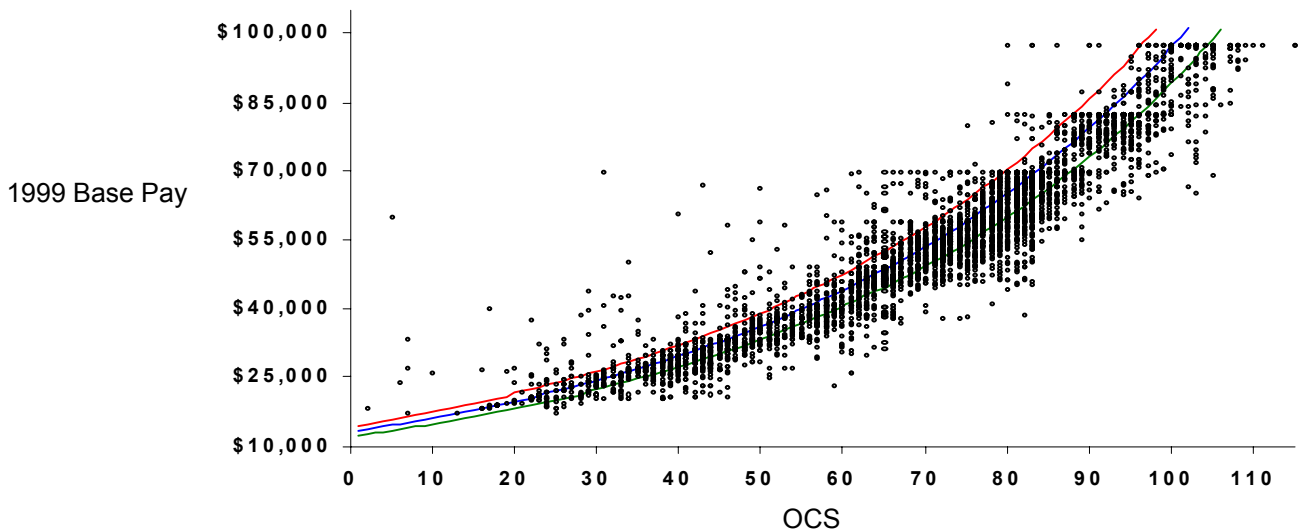


Figure 7. Overall AcqDemo Scatter Plot

Another way to visualize the distribution of employees relative to the NPR is with scatter plots. Figure 7 (above) shows the scatter plot for the entire AcqDemo population. The dots on the graph each represent an individual, although in some cases dots are “stacked” one behind another for individuals with the same OCS and basic pay. The discrete vertical lines occur because OCS is expressed in integer values only. The three horizontal lines are employees who converted into the demonstration from the step 10 level of GS grades 11, 13, and 15.

3.4 Pay Adjustments

Table D-42 (below) shows average pay increases by service and Career Path, in both dollars and percentages. These figures exclude employees on retained pay and those with presumptive status. Overall, the average GPI was \$1,966 or 3.57 percent. Note that the average percent increase is less than the funding percentage (3.8) because some pay pools denied all or some of the GPI to employees in Zone A. Employees in the NJ Career Path received the lowest average GPI percentage. The Air Force and Navy had lower average GPI percentages than did the Army and Marine Corps.

Table D-42: Average Pay Adjustments by Service and Career Path

	Average GPI		Average CRI		Average CA	
	\$	%	\$	%	\$	%
Army						
NH	\$2,435	3.68	\$1,617	2.67	\$1,515	2.25
NJ	\$1,072	3.68	\$739	2.53	\$371	1.27
NK	\$1,159	3.72	\$860	2.85	\$769	2.48
Tot	\$2,243	3.69	\$1,502	2.69	\$1,395	2.26
Navy						
NH	\$2,422	3.51	\$1,641	2.48	\$1,200	1.68
NJ	\$2,394	3.80	\$1,003	1.60	\$1,210	1.86
NK	\$1,099	3.55	\$515	1.68	\$402	1.28
Tot	\$2,262	3.52	\$1,497	2.38	\$1,104	1.63
Marine Corps						
NH	\$2,133	3.56	\$1,566	2.85	\$985	1.67
NJ	\$1,512	3.80	\$1,445	4.32	\$747	2.14
NK	\$1,046	3.65	\$628	2.42	\$540	1.92
Tot	\$1,979	3.58	\$1,444	2.84	\$922	1.71
Air Force						
NH	\$1,914	3.57	\$1,422	2.78	\$786	1.49
NJ	\$1,312	3.23	\$908	2.35	\$476	1.21
NK	\$930	3.46	\$807	3.24	\$496	1.90
Tot	\$1,659	3.51	\$1,247	2.82	\$696	1.54
Total						
NH	\$2,198	3.60	\$1,541	2.71	\$1,123	1.80
NJ	\$1,326	3.33	\$919	2.45	\$500	1.28
NK	\$1,020	3.56	\$770	2.88	\$560	1.99
Tot	\$1,966	3.57	\$1,386	2.72	\$1,000	1.80

The average CRI was \$1,386 or 2.72 percent. The average CRI percent is larger than the typical funding percent of 2.4 because of the carry-over of unspent GPI funds, and the fact that some lower paid employees got large dollar increases. Again, the NJ Career Path received the lowest average CRI percent, which is consistent with that Career Path’s low average Delta OCS value. The Army and Navy gave smaller average CRIs than did the Marine Corps and Air Force.

Combining GPI and CRI, the NK Career Path received the largest average overall pay increase (6.44 percent), while the NJ Career Path received the smallest (5.78 percent). The Marine Corps gave the largest average pay increases (6.42 percent), while the Navy gave the smallest (5.90 percent). These figures are consistent with the average Delta OCS values for the services.

Overall, the average CA was \$1,000 or 1.80 percent. As with CRI, the average award percent is greater than the funding percentage (1.74), indicating that some lower paid employees received large dollar awards, and some CRI money was carried over to the CA budget.

Again, employees in the NJ Career Path received the smallest average award percentages, while those in the NK Career Path received the largest. The Air Force and Navy typically gave smaller percentage awards than did the Army and Marine Corps.

One of the most powerful features of CCAS over the standard GS pay system is that it allows managers to financially reward employees who contribute substantially more than expected, based on their current salary. Conversely, CCAS allows managers to withhold GPI from employees who contribute substantially less than their current salary requires. Figure 8 (below) shows the frequency distribution of raise percentages from the first cycle. The three arrows at the

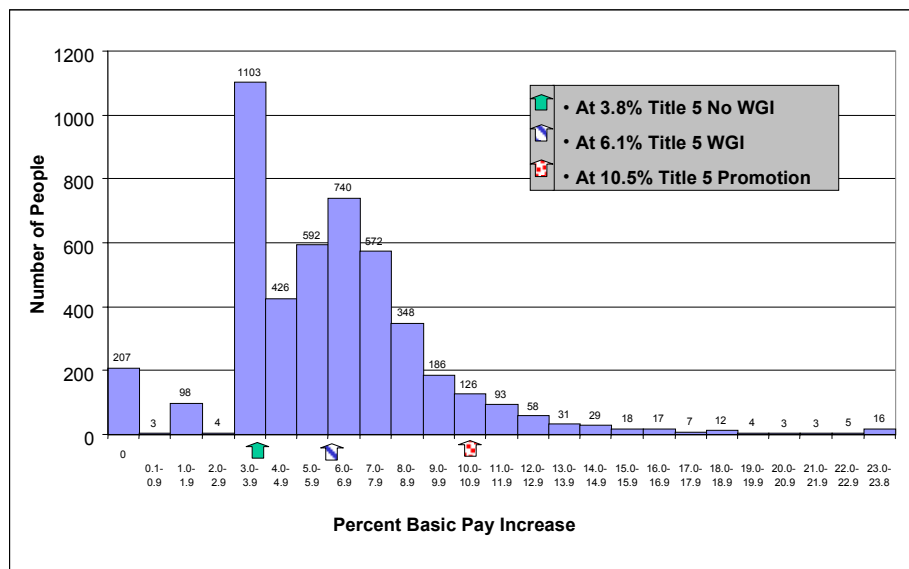


Figure 8. Frequency Distribution of Raise Percentages

bottom indicate the possible raises under the GS pay system: 3.8 percent for those receiving GPI only; 7.1 percent for those receiving GPI and a Within Grade Increase (WGI); and 10.4 percent for those receiving GPI plus a promotion. The chart shows that under CCAS, a substantial

number of employees received raises greater than the maximum GS raise and less than the minimum GS raise.

Overall, 344 employees received a raise greater than 10.5 percent. The Air Force gave the largest dollar basic pay increase (\$14,630 to an NH-IV), while the Army gave the largest percent increase (38.01 percent to an NH-II)⁵. The Marine Corps gave by far the largest dollar award (\$15,622 to an NH-IV), while the Air Force gave the largest percent award (22.42 percent to an NK-II). The Marine Corps gave two awards in excess of \$10,000.

In contrast, 207 under-contributing employees received no GPI and another 89 employees received less than the full GPI. The largest dollar amount that could be withheld was \$3,694 (3.8 percent of the maximum AcqDemo basic pay of \$97,201). Three Army NH-IV's and three Navy NH-IV's each had this amount withheld. The largest Marine Corps GPI withhold was \$3,392 and the largest Air Force withhold was \$3,124. The latter two employees were also NH-IV's. Overall, \$510,451 was withheld from Region A employees and was added to the CRI budget.

There were 316 employees (6.7 percent) placed in Region A. These are the employees whose contribution to the mission was significantly below what it should have been, considering what they were being paid. Of these, 25 were on retained pay, meaning they had lost a civil service job through a RIF and had taken a lower graded job, but were allowed to keep their previous pay rate. None of the Region A employees received CRI or CA, and 207 of them received no GPI. The 25 retained pay employees received half of the dollar increase in the maximum pay for their broadband and career path. Another 64 Region A employees received partial GPI, and 20 received the full GPI of 3.8 percent. Overall, \$140,402 of GPI money was spent on Region A employees; \$17,767 to employees on retained pay (mandatory), and \$122,635 to other employees (optional). \$510,451 of withheld GPI money was carried over to the CRI budget.

AcqDemo policy requires that all employees in Region A receive a Memorandum for the Record (MFR) notifying them of their status and the need to improve their contribution. Further, any employee with at least one factor score at or below the midpoint of the next lower broadband must be placed on a Contribution Improvement Plan (CIP). There were 16 employees in this category, all of who were also in Region A. Therefore, 300 employees should have received MFRs and at least 16 should have been placed on CIPs.

The 9 pay pools with fewer than 35 employees (8 Army and 1 Air Force) are of concern to managers of the AcqDemo project.⁶ CCAS needs a wide range of contributors in each pay pool so the pay pool manager can reallocate pooled money from the Region A contributors to the Region B contributors. However, in small pay pools it is possible to have unusual concentrations of contributors (e.g., all high or all low), which reduces the power of CCAS to reward the over-contributors. Compared to the large pay pools, the small pay pools placed a higher percent of their employees in Region B (51 percent vs. 30 percent). Even though this would indicate that

⁵ Basic pay increases could not exceed 23.8 percent this cycle (3.8 percent GPI plus 20 percent CRI). The 38.01 percent increase includes money that was carried over to an award.

⁶ Even though pay pool 126 is small, it is excluded from this analysis because of its extremely high CRI percent and Region B percent. See the next section for a discussion of this pay pool.

they have a higher proportion of under compensated employees, Table D-44 (below) shows that their maximum CRI and CA payments were much smaller than the large pay pools.

Table D-44: Large vs. Small Pay pool Maximum CRI and CA

	Maximum CRI		Maximum CA	
Large	\$6,119	12.32%	\$4,666	7.56%
Small	\$3,624	5.48%	\$3,330	3.98%

One Army pay pool is of particular interest because the pay pool manager set the CRI budget at 12 percent, five times the minimum required. When coupled with the GPI increase of 3.8 percent, this is an extraordinarily high annual salary increase rate, perhaps unprecedented in government service. The pay pool is small with only 25 employees, and relatively low paid (average basic pay of about \$32,000 compared to the demonstration average of about \$54,000). The pay pool's average Delta OCS was 12.7, more than five times the demonstration average. As a result, the average raise was \$5,061 (16.22 percent), compared to the demonstration average of \$3,377 (6.34 percent). The largest raise in the pay pool was \$10,699, or 23.8 percent, the largest percent increase allowed in the demonstration without a waiver. Even after these large pay increases, employees in the pay pool remain an average of \$8,626 under compensated when compared to the upper boundary of the NPR, which was the pay target used by the pay pool.

Six of the 46 pay pools had at least some members covered by a bargaining unit. To see if the presence of bargaining unit members had an appreciable effect on the CCAS process, the statistics in Table D-3-5 (below) were generated.

Table D-3-5: Comparison of Pay Pools with and without Unions

		Mean	S.D.	Min	Max
Non Union (N=3,938)	Delta OCS	2.33	5.927	-71.00	32.00
	Raise (\$)	3,336	1,774	0	11,294
	Raise (%)	6.28	3.168	0	23.80
	Award (\$)	948	988	0	15,622
	Award (%)	1.73	1.519	0	22.42
Union (n=483)	Delta OCS	2.49	6.036	-22.00	22.00
	Raise (\$)	3,472	2,016	0	14,630
	Raise (%)	6.36	3.756	0	23.82
	Award (\$)	1,419	1,348	0	8,149
	Award (%)	2.40	1.985	0	16.10

Note: Excludes 280 participants with presumptive ratings.

Pay pools with members covered by bargaining units had slightly larger average Delta OCS values, and gave slightly larger average raises and awards. The differences are not large and do not indicate any significant union effect.

The AcqDemo pay adjustment rules include limits on basic pay and pay adjustments. Employees

who exceed one or more of the pay caps receive the maximum allowable pay under the most restrictive cap, but then many receive the difference in the form of a carryover award. During the first CCAS cycle, 350 employees (7.4 percent) hit a pay cap. They received about \$525,000, or an average of about \$1,500 per person, in carryover awards. The carryover awards accounted for 11.8 percent of all awards.

Table D-3-1 (above) shows the normal OCS range for each Career Path with the following top scores: NH = 100, NJ = 83, NK = 61. However, CCAS allows for factor ratings of “Very High” for employees who make truly exceptional contributions on those factors. The “Very High” ratings translate into the following OCS: NH = 115, NJ = 95, NK = 70. These ratings are about 15 percent higher than the maximums for each Career Path and are used to make distinctions for award decisions. Table D-45 (below) shows the frequency with which these “Very High” ratings were used.

Table D-45: Frequency of “Very High” Ratings

Service	Very High Ratings	NH	NJ	NK
Army	All Six Factors Rated "Very High"	0	0	0
	At Least one factor rated "Very High"	94	0	8
	At Least one factor rated "Very High" (not in highest broadband)	0	0	1
Navy	All Six Factors Rated "Very High"	0	0	0
	At Least one factor rated "Very High"	48	3	0
	At Least one factor rated "Very High" (not in highest broadband)	0	0	0
Marine Corps	All Six Factors Rated "Very High"	2	0	0
	At Least one factor rated "Very High"	13	0	0
	At Least one factor rated "Very High" (not in highest broadband)	0	0	0
Air Force	All Six Factors Rated "Very High"	0	0	1
	At Least one factor rated "Very High"	17	0	3
	At Least one factor rated "Very High" (not in highest broadband)	1	0	0
All	All Six Factors Rated "Very High"	2	0	1
	At Least one factor rated "Very High"	172	3	11
	At Least one factor rated "Very High" (not in highest broadband)	1	0	1

Just fewer than 4 percent of the employees included in the first CCAS cycle received at least one “Very High” rating.

Very High Ratings	NH	NJ	NK
All six factors rated "Very High"	2	0	0
At least one factor rated "Very High"	172	3	11
At least one factor rated "Very High" (not in highest broadband)	1	0	1

Table D-46: Frequency of “Very High” Ratings

Just fewer than 4 percent of the employees included in the first CCAS cycle received at least one “Very High” rating.

3.5 Equity Studies

The evaluation plan calls for continuing examination of the impact of AcqDemo on demographic groups, including minorities, women, and veterans. Baseline data has been collected for both the workforce and survey databases, which will allow long-term analyses of any demographic impacts. The approach to this analysis is outlined in the Data Analysis Plan (Annex C to the approved *Evaluation Plan*).

For the short term, the AcqDemo Program Office has done a preliminary analysis of the impact of the first CCAS cycle in terms of both assessment (contribution score) and payout (raises and awards). As reported by the Program Office, the contractor supporting CCAS (SRA International) conducted a statistical analysis of the first-cycle results. SRA examined such factors as broadband, educational level, age, time-in-service, and time-in-grade prior to the demonstration in an effort to assess differences among employee groups in the CCAS results.

For the Technical Management and Support (NJ) career path, which accounts for six percent of AcqDemo employees, the analysis revealed that women, minorities, and veterans fared as well as, or better than, men, non-minorities, and non-veterans.

For the Administrative Support (NK) career path, which accounts for 16 percent of AcqDemo employees, women and veterans fared as well, or better than men and non-veterans. Minorities fared as well as non-minorities in assessment, but not in pay outs.

For the Business Management and Technical Management Professional (NH) career path, minorities did not fare as well as non-minorities in either assessment or pay outs. Again, women and veterans fared as well or better than men and non-veterans.

The AcqDemo Program Office recognizes that this is an area for attention and monitoring. Consequently, the Program Office has developed additional training for supervisors and pay pool managers that will help in the upcoming CCAS closeout during the current appraisal cycle. This training will emphasize correct CCAS implementation. Moreover, the Program Office will ensure that equity studies are conducted after each annual pay out, and subsequently the results of those analyses will be available as part of the overall evaluation of the project.

Chapter 1

Preliminary Findings and Concerns

1.1 General

AcqDemo focuses on a number of innovative interventions in the civilian personnel system and requires a conceptual shift in thinking from performance and outputs to contributions and mission results. These changes in the culture of work take time to be subsumed confidently into the appraisal processes (e.g., pay pool panels), personnel actions (e.g., broadbanding and simplified classification), and pay adjustments (e.g., CCAS). The direct connection of pay to appraisal of contributions alone is a significant change for the acquisition workforce to engage and to accept.

At this point in the implementation of AcqDemo, only broad statements about the demonstration project can be made. With but one CCAS cycle (a short cycle of only six months) completed, we necessarily lack the depth of information and the refinement of supporting evidence to make firm judgments and recommendations. Such assessments will result from multiple sources of information that will become clearer only over time, when longitudinal comparisons can be made against the baseline data on the participants, the Comparison Group, the acquisition community, DOD, and other demonstration projects to the extent possible.

In summary, our judgment is that AcqDemo initiatives have been implemented accurately and completely, with some problem areas requiring additional attention.

1.1.1 Methodology.

We have gathered baseline and implementation information for this report from the participating Components and the PO, DMDC, SRA International (on CCAS), and automated sources of workforce data, as well as from our own analyses. Our data sources, among others, have included the following:

- Attitude Survey (Conducted by OPM in mid 1998)
- Workforce Data (1998 Baseline and 1999 AcqDemo)
- Focus Groups (12 conducted before August 1, 2000)
- Structured Interviews (2 conducted by July 1, 2000)
- Expert Observation (Program Office and Contractors)
- Site Historian Reports
- Personnel Office data
- Implementation Report Data from the Components and Program Office
- Cost Data from the Components and the Program Office
- CCAS Database and Analysis (SRA)
- Inputs from EWG (Service and USD/AT&L Reps)

With information from all these sources and with our baselines established, we now move to the beginnings of an analytical process that, over time, will gather and interpret information from all data sources and from discrete examinations thereof. Even now, we

can derive at least preliminary findings and concerns. At this level of evaluation, however, two cautions are warranted.

First, performance measurement should be a critical feature from the outset of any project. This is particularly important in a demonstration project like AcqDemo that creates root changes in personnel systems, the appraisal and compensation processes, the professional growth and expectations of employees, and the ability of supervisors and managers to lead their organizations in accomplishing their missions more effectively. In the case of AcqDemo, the early evaluation plans and processes (before the spring of 1999) had not been as fully developed as needed in measuring progress toward program goals beyond the level of the eleven personnel interventions. As we described earlier (Section D-1.8.5 ff), for example, the EWG is working on a new balanced scorecard approach for measuring organizational effectiveness and customer satisfaction, including focus groups, surveys, and a case study.

Second, demonstration projects in personnel systems are not like experiments in "clean-room" laboratories. The confidence limits for much of the analysis can be at about 85% rather than meet the 95% standard generally used in the medical and biological sciences. In seeking statistical confidence, the contractor and the PO have sought always to keep people foremost in mind and not just numbers in assessing the status of the demonstration project.

1.1.2 Work Ahead.

Future analyses will look at whether the project benefited the employees, the supervisors, the organizations, and the missions at an acceptable cost and with substantial results for the acquisition community of the Department of Defense. It will take the next three to four years to arrive at solid conclusions in these areas.

1.2 Preliminary Findings

Stipulating the cautions and conditions delineated above, as well as in the opening chapter of this report, we assert the following findings about the baseline and the implementation of the acquisition demonstration project:

1.2.1 Baseline.

- The project has established a sufficient, reliable, and reasonably valid baseline of data to understand where we began with the workforce before the AcqDemo start in February 1999, as well as to make comparisons over time.

- The attitude survey conducted within the acquisition community in the spring and summer of 1998 has provided a statistically valid baseline for later administration of surveys in 2002 and 2003 (using the OPM survey with some additions and deletions). However, there is a need in early 2001 to administer a survey of about fifty questions to all participants and to the Comparison Group. The survey will help with evaluation of the personnel interventions and with measures of organizational effectiveness. The survey will also address support for AcqDemo

and perceptions of fairness and equity.

- The evaluation instruments in place are satisfactory for the results evaluation of this project, especially with the addition of a new survey instrument and supplementary work on organizational effectiveness. We are confident that the effects of the eleven interventions can be measured to give the project a solid assessment of their validity and value.
- Now that the cost baseline has been established for design, development, start-up and early implementation (including the buy-in costs), we will track costs over time longitudinally in categories that will provide leaders in the acquisition community the ability to compare benefits with the costs of the project.
- AcqDemo procedures and processes still need refinement, but the basic work is solid. There remain a number of procedural issues (e.g., RIF service credit/conversion) that employees and personnelists are not satisfied with.
- During 1998, the starts and stops in funding contractor assistance in training programs, software development, evaluation, and information technologies caused serious delays in the availability of training, uncertainties in the development and use of CCAS software and spreadsheets, inefficient workarounds of many types, and loss of economy of efforts as contractors were on and off delivery orders. That situation greatly improved in 1999.

1.2.2 Implementation.

- Organizations participating in AcqDemo implemented the project accurately and completely. A number of organizations used the flexibility allowed in the project to their best advantage. During the first cycle, most attention was placed on CCAS, as well as on broadbanding, and simplified classification. However, all of the eleven interventions have been implemented to some degree. Now that CCAS is solidly in place, participating organizations are focusing additional attention on the other interventions in this demonstration project.
- Most participating organizations had only six or seven months in the AcqDemo during the first CCAS cycle: February to September 1999, with the appraisal period culminating in pay adjustments in early 2000. Nonetheless, there was sufficient effort and good will to implement AcqDemo interventions satisfactorily.
- The staggering of implementation—whereby Components began implementation at different times between 7 February and 28 March 1999—appeared not to have had any negative consequences on the project. We base this judgment on statements to this effect from each of the Services (See Section B, Chapter 2 above) and on the absence of any related issues raised by employees through grievances, complaints, and focus groups. See Section B, Chapter 3 above.

- While organizations and pay pools took proper advantage of flexibility allowed in the demonstration project rules, there are nonetheless a small number of cases that the evaluation needs to track. The differences in implementation in a few cases, sometimes due to bargaining unit agreements, were sufficient to warrant close compliance review to prevent creation of mini-demonstrations or even new demonstrations. Another area for monitoring would be the consequences of very small pay pools (less than 35 members): for example, small pay pools may disadvantage participants. (See Section B, Chapter 3)
- On the whole, supervisors seem more pleased with the AcqDemo than employees are. The evidence for this finding is anecdotal, based primarily on Focus Group sessions.
- There are widely different views about AcqDemo among employees from organization to organization, with employees in a few organizations dissatisfied with several aspects of the program. One example is the effect on career ladder expectations upon conversions into the program. Specifically, some employees who would have been promoted to GS-12 under the old system are now limited to the top of Band-II, a GS-11 equivalent. A second example is that supervisors can adjust pay for new entrants to AcqDemo, but current employees must wait until the next payout cycle to get a raise, even if their responsibilities have increased substantially.
- The *Federal Register* notice and the *Operating Procedures* are being revised to reflect changes required after experience with the first year of the program.

1.3 Concerns

The concerns delineated below are based primarily on twelve Focus Group sessions with employees and supervisors conducted between March and July 2000.

1.3.1 Culture shifts.

- Some employees and some supervisors appear not to understand, or at least appear not able to articulate, the mission of their organizations and units. Without a clear understanding of the mission, it is difficult to conceive of adequate handling of the self-assessments and appraisals that are based on contributions to the mission.
- Title 5 thinking persists—employees and supervisors continue to think of themselves as GS-something.
- Performance vs. Contribution—these concepts remain unclear with some employees.
- Are managers and personnelists keeping pace? They are partners in helping implement hiring interventions. Speed of hiring has not markedly improved since the demonstration began.

- Promotion appraisal vs. CCAS in Air Force—is this confusing to employees? For example, the completion of separate AF centralized promotion appraisals at a different time of year from CCAS appraisals may be confusing.

1.3.2 Trust.

- Communications, feedback, and counseling—a substantial number of employees in Focus Groups expressed concern that they received inadequate information from their supervisors and managers at the beginning of the CCAS process, during the rating cycle, and at the end when pay determinations were communicated.
- Matrix organizations and geographically dispersed pay pools—Focus Group participants who either worked in a matrix organization and/or in a geographic location away from their supervisors felt that their representation on pay pool panels was limited. Their perception was that the process is highly dependent on panel members' and supervisors' first-hand knowledge of their work. To the extent panel members lacked such knowledge, some employees believed they were placed at a disadvantage in favor of other employees who were better known.

1.3.3 Grievances and Complaints.

Based on data provided by the PO, which is tracking AcqDemo-related grievances and complaints, a total of 88 formal administrative grievances were filed from January 2000 through July 26, 2000. (No grievances under negotiated grievance procedures were reported.) Of these 88 grievances, 30 were also filed as discrimination complaints. A total of 38 discrimination complaints were filed, including the 30 mentioned above. This means that 96 individual employees filed formal grievances or complaints—about 2% of the AcqDemo workforce. By July 26, all but 22 of the grievances had been resolved, representing 0.5% of the workforce. As of September 11, 2000, one grievance and 20 discrimination complaints remained unresolved.

The subject of grievances was predominately Overall Contribution Score, with a few being related to the general pay increase, contribution rating increase, and contribution awards. About half (17 of 38) of the formal discrimination complaints were based on alleged age discrimination, 8 were based on reprisal, 9 were based on race/national origin, and 4 were based on gender. (Some complaints were filed on multiple grounds, e.g., race, gender, and reprisal.)

Personnel Office data provided by some of the Components include information on formal grievances and complaints in non-AcqDemo organizations that are considered comparable to the participating units. For example, in one DOD agency, 1.4% of the employees filed a formal grievance or complaint in a single quarter of 1999. In another non-demo group, 1.5% of the employees filed formally in CY 1999. Another group reported rates of 2.3% in CY 1998 and 4.2% in CY 1999. (The non-demo units, which

include the Comparison Group, are not identified in the report due to the sensitivity of the subject matter.)

Based on the figures above, it does not appear that AcqDemo grievances and complaints are inconsistent with non-demo organizations, especially considering that this is the first year of a radically different pay and appraisal system. However, it is impossible to discern a trend based on one data point. The PO and the evaluation team will continue to monitor this situation.

Chapter 2

Initiatives and Recommendations

2.1 Sources

2.1.1 Based on our assessments of the various data sources used in this Baseline Implementation Report, there are a number of initiatives and recommendations that the AcqDemo Program Office will pursue. In a few cases, the PO has already begun to take corrective and refining actions for the demonstration project, such as the PO's request through OPM for modifications to the *Federal Register* notice (see Section B, 1.3.3 above for a discussion of the changes requested). Some of the actions and recommendations flow from Executive Council and Program Office experience with the demonstration during the first year; some derive from the findings of this report; others result from guidance provided by senior leaders of the DOD acquisition community during quarterly reviews and the March 2000 annual program review as well as by OPM; and still others reflect the suggestions and comments of supervisors, managers, and employees participating in the demonstration project.

2.1.2 For ease of presentation, we have collated the actions and recommendations under five categories: Project Management, AcqDemo Operations, Training, Evaluation, and Project Expansion. The PO, of course, recognizes that many of these actions and recommendations overlap and will impact one another.

2.2 Initiatives and Recommendations

2.2.1 Project Management. The AcqDemo Program Office should:

- Sponsor additional analyses of subsequent CCAS cycles and should redouble its efforts to assure that CCAS operates so that appraisals and payouts accurately reflect employee contributions.
- Continue to track equity closely and conduct equity studies after each payout.
- Update AcqDemo participants on the status of the project, as reflected in the Baseline/Implementation Report.
- Reorganize the PO's workload in light of the first year's experience with AcqDemo, maximizing assistance from programs such as DLAMP.
- Streamline management approaches within the PO and undertake a cost reduction initiative for the outyears of the project.
- Work closely with the DOD's Acquisition 2005 Task Force. The Task Force has identified AcqDemo as "an enabler for cultural change" and has recommended that the AcqDemo Project be expanded.

2.2.2 AcqDemo Operations.

- Complete revisions to the *Federal Register* and to the *Operating Procedures* as soon as practicable.
- With assistance from the Executive Council, review the project's recommendations on phases of the counseling cycle. (Since initial counseling for each new cycle begins each October and since the final counseling on the old cycle occurs months later, there is a potentially confusing mismatch in counseling that needs to be rectified or managed.)
- Partner closely with other demonstration projects, to ensure the sharing of insights and best practices.
- Re-emphasize the project guidance that pay pools be comprised of 35 to 300 members. (Note: There may be negative effects on employees in pay pools that have less than 35 members in a pay pool.)
- Complete the pilot testing and the assessment of the Option 2 CCAS software by the end of the first quarter of FY01. Plan for and secure appropriate funding for this option.
- Establish and use a Configuration Control Board for monitoring, adjudicating, and authorizing changes to CCAS spreadsheets and software.
- During FY01, migrate the project to one web site, using NIPRNET to the maximum extent.
- Carefully manage the transition to Modern DCPDS and its effects on AcqDemo, accommodating delays in implementation of the modern system on the part of some Components.

2.2.3 Training.

- Complete the development and implementation of current training programs, both CCAS training and AcqDemo tutorials and workbooks.
- Concentrate efforts on Internet-based tutorials and on train-the-trainer approaches so that trainers will be available within the Components, not within the PO, to conduct any training required on CCAS tools and on the program as a whole.
- Create an aid for personnelists to help clarify operation of the demonstration, starting in the fall of 2000. This can be used or modified by the Components.
- Work with the Components and create a Letter of Instruction on the training of

new employees, both within organizations currently participating, and in any new organizations that join the program.

2.2.4 Evaluation.

- Shift the focus of the Evaluation Working Group to “organizational effectiveness” measures and data sources.
- Design, develop, and validate a survey of AcqDemo participants, to be prepared in the late summer of 2000 and administered electronically in January and February 2001. The 50-question survey should repeat a number of the administrative and substantive questions used in the 1998 OPM Attitude Survey of potential AcqDemo participants. However, the survey should also include 15 to 20 new questions, focused on issues such as employee perceptions of customer satisfaction and mission accomplishment, as well as employee understanding of and reaction to AcqDemo and its interventions.
- Use the survey, leadership visits, Focus Groups, structured interviews, and other tools to discern any concerns the employees and supervisors have with AcqDemo.
- Encourage senior leaders of the acquisition community to support AcqDemo through speeches, reviews, and magazine articles.
- Prepare information packages on AcqDemo for the new administration’s leaders within the acquisition community.
- Encourage wide use of the new AcqDemo video on the first year’s experience with the project, particularly highlighting the cultural changes in direct linkage of employee contribution to the mission with compensation.
- Conduct workshops on measuring organizational effectiveness in AcqDemo—better defining the concepts, the measures, and the data sources.

2.2.5 Project Expansion.

- Create in the first quarter of FY01 a campaign and marketing plan for expanding the population participating in AcqDemo.
- Update local and national unions on the status of AcqDemo. Starting in the first quarter of FY01, prepare materials and approach employee unions at the local and national levels, consulting with them on the potential for expansion of AcqDemo.
- Prepare for growth in the population of the project after April 2001—when two appraisal cycles have been completed. The goal is to expand the population by 5,000 per year after the third payout. The PO will consult carefully with OSD and OPM to obtain approval on expansion across DOD.

2.3 Final Comment

This Baseline/Implementation Report has established a solid basis for a well-grounded evaluation of the demonstration project over the next three years. With that experience, we will be better able to see the trend lines, measure the results of the personnel interventions, assess the accomplishment of project goals, and help senior leaders of the acquisition community evaluate the overall costs and benefits. With detailed data and evaluations in hand, senior acquisition officials will then have the evidence and projections to make informed judgments and recommendations about potential expansion of AcqDemo within DOD and its possible adoption elsewhere in the federal government.