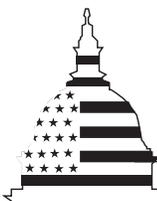


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December 2002

# ACQUISITION WORKFORCE

## Status of Agency Efforts to Address Future Needs



Accountability \* Integrity \* Reliability



Highlights of [GAO-03-55](#), a report to Senate Committee on Governmental Affairs

## Why GAO Did This Study

The federal government is dramatically changing the way it purchases goods and services—by relying more on judgment and initiative versus rigid rules to make purchasing decisions. At the same time, agencies are dealing with reductions in the civilian acquisition workforce. GAO was asked to determine what efforts federal civilian agencies are making to address their future acquisition workforce needs

## What GAO Recommends

GAO is recommending that the Office of Federal Procurement Policy (OFPP) work with procurement executives to ensure that the lessons learned from agencies' efforts to address future acquisition workforce needs are shared with all federal agencies. All the agencies that reviewed a draft of the report generally agreed with GAO's findings and recommendations.

[www.gao.gov/cgi-bin/getrpt?GAO-03-55](http://www.gao.gov/cgi-bin/getrpt?GAO-03-55).

To view the full report, including the scope and methodology, click on the link above. For more information, contact David Cooper at (202) 512-4125 or [cooperd@gao.gov](mailto:cooperd@gao.gov).

# ACQUISITION WORKFORCE

## Status of Agency Efforts to Address Future Needs

### What GAO Found

GAO looked at the efforts six civilian agencies are undertaking to address their future acquisition workforce needs. Together, these agencies account for about 72 percent of civilian agency contracting dollars. All of these agencies are taking steps to address their future acquisition workforce needs. Three—the Departments of Energy and Veterans Affairs (VA) and the General Services Administration—are developing specific plans to strengthen their acquisition workforces, and three others—the Departments of Treasury and Health and Human Services and the National Aeronautics Space Administration (NASA)—are including their acquisition workforces in their overall plans to strengthen human capital. All are implementing new or strengthening existing career development and training programs. NASA and VA are also developing new information management systems.

The agencies, however, are facing considerable challenges to making their human capital strategic plans and training programs a success. Principally:

- Most acquisition professionals will need to acquire a new set of skills focusing on business management. Because of a more sophisticated acquisition environment, they can no longer be merely purchasers or process managers. Instead, they will also need to be adept at analyzing business problems and assisting with developing strategies in the early stages of the acquisition.
- Beyond this immediate transformation, it is difficult for agencies to forecast what will be needed in terms of numbers of workers, skills, and expertise in the years to come. Rules, regulations, and agency missions are always changing, and budgets are constantly shifting.
- Many agencies simply lack good data on their workforces, including information on workforce size and location, knowledge and skills, attrition rates, and retirement rates. This data is critical to mapping out the current condition of the workforce and deciding what needs to be done to ensure that the agency has the right mix of skills and talent for the future.

In overcoming these challenges, agencies can learn from the Department of Defense (DOD), which has made progress in acquisition workforce strategic planning and has addressed some of the same issues. DOD officials learned that the strategic planning effort was going to take a long time and that effective leadership and guidance, along with technology and sound methodology, were required to accurately forecast workforce needs.

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# Contents

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<b>Letter</b>		1
	Results in Brief	2
	Background	3
	Status of Civilian Agencies' Efforts to Develop Strategic Plans for Their Acquisition Workforces	5
	DOD Experience in Workforce Planning Provides Useful Lessons Learned	16
	Conclusions	22
	Recommendation	22
	Agency Comments and Our Evaluation	23
	Scope and Methodology	24
<b>Appendix I</b>	<b>Comments from the Department of Defense</b>	26
<b>Appendix II</b>	<b>Comments from NASA</b>	27
<b>Appendix III</b>	<b>Comments from the Department of Health and Human Services</b>	28
<b>Appendix IV</b>	<b>Comments from the Department of Energy</b>	29
<b>Tables</b>		
	Table 1: Various Organizations' Roles Concerning Acquisition Workforce Issues	4
	Table 2: Summary of Agencies' Status	6
	Table 3: Highlights of Initiatives to Strengthen Overall and/or Acquisition Workforces	7
	Table 4: Highlights of DOD's Lessons Learned	16

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**Figure**

Figure 1: DOD's Framework for Developing a Mature Human Capital Strategic Planning System

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**Abbreviations**

CAMEO	Center for Acquisition Materiel Management and Education On-line
DCAA	Defense Contract Audit Agency
DCMA	Defense Contract Management Agency
DLA	Defense Logistics Agency
DOD	Department of Defense
DOE	Department of Energy
FAI	Federal Acquisition Institute
FPDS	Federal Data Procurement System
GSA	General Services Administration
HHS	Department of Health and Human Services
NASA	National Aeronautics and Space Administration
OFPP	Office of Federal Procurement Policy
OPM	Office of Personnel Management
PEC	Procurement Executives Council
VA	Department of Veterans Affairs



United States General Accounting Office  
Washington, DC 20548

December 18, 2002

The Honorable Joseph Lieberman  
Chairman  
The Honorable Fred Thompson  
Ranking Minority Member  
Committee on Governmental Affairs  
United States Senate

The federal government is dramatically changing the manner in which it purchases goods and services. It is also striving to maximize the value of the \$200 billion it spends annually by taking advantage of the opportunities offered by the commercial marketplace. As a result, rigid procurement rules have given way to rules that allow the use of more judgment and initiative on the part of the individuals who make up the acquisition workforce. At the same time, some agencies are contending with the fact that the acquisition workforce has decreased by 22 percent in the last decade.

Industry and government experts alike recognize that a key to making a successful transformation toward a more sophisticated acquisition environment is having the right people with the right skills. Leading public organizations here in the United States and abroad have found that strategic human capital management must be the centerpiece of any serious change management initiative and efforts to transform the cultures of government agencies. Workforce planning provides managers with a strategic basis for making human resource decisions and allows organizations to address systematically the issues that are driving workforce change.

You requested that we (1) determine the efforts civilian federal agencies are making to address their future acquisition workforce needs and identify the challenges, if any, they have encountered and (2) identify any “lessons learned” from the Department of Defense’s (DOD) efforts to develop strategic plans for its acquisition workforce. We included the following six civilian agencies in our review: the General Services Administration (GSA), the National Aeronautics and Space Administration (NASA), the Department of Energy (DOE), the Department of Veterans Affairs (VA), the Department of Treasury, and the Department of Health and Human Services (HHS). We did not assess the effectiveness of the agencies’ efforts.

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## Results in Brief

The civilian agencies we reviewed are taking steps to address their future acquisition workforce needs. All the agencies have published or drafted human capital strategic plans for their overall workforces, and three agencies are developing plans specifically for their acquisition workforces. The other three agencies do not intend to develop strategic plans specifically for their acquisition workforces, either because they are developing an overall workforce plan that includes the acquisition workforce, or because the acquisition workforce comprises only a small fraction of the overall workforce. The agencies that are not developing acquisition workforce strategic plans are taking other steps, such as revamping training, recruiting, and retention programs, to address their future workforce needs. All agencies have encountered challenges in their efforts. In particular, because of shifting priorities, missions, and budgets, agencies have difficulty predicting with any certainty the specific skills and competencies the acquisition workforce will need. This uncertainty is exacerbated by the fact that the role of the acquisition staff is changing considerably—from merely a purchaser or process manager to a business manager who must work hand-in-hand with program managers to ensure that the goods and services being acquired will maximize the agency's performance. Another challenge that affects all agencies is difficulty in sharing information about lessons learned or best practices that deal with acquisition workforce issues.

Based on its experience so far, DOD has gained some insights from its strategic planning efforts that could benefit civilian agencies. DOD recognizes that implementing a strategic approach to reshaping the workforce involves substantial challenges, and that laying the foundation for successful strategic planning takes time. To put its own effort on a better footing, DOD has initiated efforts to acquire the systems and tools needed to develop accurate and accessible data about the workforce and to make projections for the future. It is also striving to make a cultural shift from viewing human capital as a support function to viewing it as a mission function in order to provide its strategic planning effort with the level of importance and leadership attention it deserves. Addressing these challenges includes providing guidance that clearly specifies DOD's goals for its acquisition workforce, ensuring that planning is being carried out at the appropriate organizational level, and ensuring that managers buy into and have the authority they need to carry out planning efforts.

We are recommending that the Administrator of the Office of Federal Procurement Policy work with procurement executives to leverage the experiences of federal agencies' efforts to strengthen the acquisition workforce.

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## Background

The federal government is facing several significant challenges when it comes to its acquisition workforce: the number of workers is declining, while the workload and the demand for more sophisticated technical, financial, and management skills are increasing. DOD's contracting workload, for example, has increased by about 12 percent in recent years, but the workforce available to perform that workload has been reduced by about half over the same period. Meanwhile, the federal government is implementing various ways of contracting, such as performance-based contracting methods, commercial-based pricing approaches, and the use of purchase cards.

High-performing public organizations have found that strategic planning and management can address human capital shortfalls. Strategic human capital planning begins with establishing a clear set of organizational intents, including a clearly defined mission, core values, goals and objectives, and strategies, and then integrating a human capital approach to support these strategic and programmatic goals. It requires systematic assessments of current and future human capital needs and strategies—which encompass a broad array of initiatives to attract, retain, develop, and motivate a top quality workforce—to fill the gaps. To ensure lasting success, the top leaders of an organization need a sustained commitment to embracing human capital management. They need to see people as vital assets to organizational success and must invest in this valuable asset.

While many organizations have developed models for workforce planning,<sup>1</sup> putting aside variations in terminology, the models share the following common elements. They

- identify organizational objectives;
- identify the workforce competencies needed to achieve the objectives;
- analyze the present workforce to determine its competencies;
- compare present workforce competencies to those needed in the future (sometimes referred to as a “gap analysis”);
- develop plans to transition from the present workforce to the future workforce; and
- periodically evaluate the workforce plans, review the mission and objectives to assure they remain valid, and make adjustments as

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<sup>1</sup> For example, OPM's Workforce Planning Model (<http://www.opm.gov/workforceplanning/wfpmodel.htm>) and U.S. General Accounting Office, *Exposure Draft: A Model of Strategic Human Capital Management*, GAO-02-373SP (Washington, D.C.: March 2002).

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required by changes in mission, objectives, and workforce competencies.

This process is simple in concept, but it can be difficult to carry out. First, it requires a shift in the human resource function from a support role to a role that is integral to accomplishing an agency's mission. Second, it requires developing accurate information on the numbers and locations of employees and their competencies and skills, data on the profile of the workforce, and performance goals and measures for human capital approaches. We have previously reported that agencies may find that they lack some of the basic tools and information to develop strategic plans, such as accurate and complete information on workforce characteristics and strategic planning expertise.<sup>2</sup>

Four organizations—the Office of Personnel Management (OPM), the Office of Federal Procurement Policy (OFPP), the Procurement Executives Council (PEC), and the Federal Acquisition Institute (FAI)—have roles to play in dealing with workforce and acquisition workforce issues. Highlights of these different roles are presented in table 1.

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**Table 1: Various Organizations' Roles Concerning Acquisition Workforce Issues**

Organization	Roles
OPM	Help agencies get the right people in the right jobs with the right skills at the right time; ensure that agencies are incorporating effective workforce planning and strategic rewards into their strategies for accomplishing their goals and objectives.
OFPP	Provide governmentwide guidance for agencies other than DOD concerning acquisition workforce issues. The OFPP Administrator currently serves as the chair of the PEC.
PEC	Provide a senior-level forum for monitoring and improving the federal acquisition system, including the acquisition workforce. The PEC is an interagency council consisting of procurement executives in the executive branch.
FAI	Under the direction of the OFPP, promote the development of the acquisition workforce and develop a governmentwide management information system that will allow departments and agencies to collect and maintain standardized acquisition workforce information and conform to standards established by OPM for its Central Personnel Data File.

Source: GAO analysis.

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<sup>2</sup> U.S. General Accounting Office, *Acquisition Workforce: Department of Defense's Plans to Address Workforce Size and Structure Challenges*, [GAO-02-630](#) (Washington, D.C.: Apr. 30, 2002).

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## Status of Civilian Agencies' Efforts to Develop Strategic Plans for Their Acquisition Workforces

All six agencies that we reviewed have published or drafted human capital strategic plans for their overall workforces and are taking actions specifically targeted at strengthening their acquisition workforces. Three agencies are developing specific acquisition workforce plans. Agencies are in varying stages of these efforts. The agencies are facing challenges in completing workforce plans—in particular, they are finding it difficult to predict and respond to future needs given the rapid pace of change occurring within acquisition and the lack of reliable data on workforce characteristics. Agencies are also hampered by difficulty in sharing information about best practices and lessons learned in addressing acquisition workforce issues.

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## Progress Made

In developing strategic plans for their overall workforces, all six of the agencies we reviewed have identified their organizational objectives. Three of these, DOE, HHS, and Treasury, have gone as far as conducting a gap analysis, which involves comparing present workforce competencies to those that will be needed in the future. Some agencies are developing these plans at an agencywide level, while others are developing them at a bureau or operating division level.

Four agencies included in our review—VA, GSA, DOE, and NASA—believe that the acquisition function is central to accomplishing their missions. There are clear reasons for this. About 90 percent of NASA's funds, for example, is spent on contracts for projects such as the international space station and the space shuttle. DOE contracts out about 94 percent of its budget. VA purchases goods and services, such as medical supplies, pharmaceuticals, and information technology. And GSA's primary function is to assist federal agencies in procuring goods and services.

Recognizing the importance of acquisition to their missions, VA, GSA, and DOE are all developing or have developed strategic plans specifically targeted at strengthening their acquisition workforce. NASA is developing an overall workforce plan that will include the acquisition workforce. VA and GSA have defined the objectives for their future acquisition workforces. GSA has also established the competencies that workforce will need and has begun its gap analysis. DOE has studied its acquisition workforce, identified competencies and gaps, and is now implementing actions it believes are needed to strengthen the acquisition workforce. NASA is in the process of identifying the competencies its workforce possesses. All four of these agencies have also developed training and career development programs that are aimed at ensuring their acquisition workforces have the skills to accomplish the agencies' missions.

Treasury and HHS view acquisition as critical to mission success. However, unlike GSA, for example, acquisition is not a primary function of these agencies. Each agency spends less than 25 percent of its budget on acquisitions. Nevertheless, Treasury and HHS have undertaken initiatives such as training, career development, and intern programs to ensure that their acquisition workforces have the necessary skills and training to accomplish their missions.

Tables 2 and 3 highlight progress being made by the agencies we studied. Detailed information on each agency's efforts is provided at the end of this section.

**Table 2: Summary of Agencies' Status**

	Agency					
	DOE	GSA	VA	NASA	HHS	Treasury
Does the agency view acquisition as critical to mission?	YES	YES	YES	YES	NO	NO
Percentage of acquisition workforce to total workforce <sup>a</sup>	3%	21%	3%	4%	1%	<1%
Percentage of total budget spent on acquisition <sup>b, c</sup>	94%	<sup>d</sup>	12%	90%	1%	23%
Is the agency developing an overall workforce plan?	YES	YES	YES	YES	YES	YES
Is the agency developing an acquisition workforce plan?	YES	YES	YES	NO	NO	NO
What is the status of the acquisition workforce plan?	Gap analysis completed. Implementing transition plans.	Identified agency's objectives and competencies needed; gap analysis underway.	Has begun analysis of current workforce.	Not applicable	Not applicable	Not applicable

<sup>a</sup>Agencies differ in who they include in the acquisition workforce; as a result, the numbers may not be comparable.

<sup>b</sup>Data on amounts spent on acquisition are taken from the Federal Procurement Data System (FPDS) Federal Procurement Report for fiscal year 2001. These amounts do not include credit card purchases.

<sup>c</sup>Data in the FPDS Report on amounts spent on acquisition sometimes varied from an agency's annual procurement report. To be consistent, we used data from the FPDS Report except in the case of NASA, where the difference was significant. NASA's Annual Procurement Report for fiscal year 2001 showed a total of \$12.7 billion, while the FPDS Report showed a total of \$10.6 billion. NASA's total budget for fiscal year 2001 was \$14.2 billion.

<sup>d</sup>About 96 percent of GSA's revenues of about \$45 billion flow directly from customers to suppliers of goods and services. Only about 4 percent of GSA revenue is directed to internal operations.

Source: GAO analysis of agency-provided data.

**Table 3: Highlights of Initiatives to Strengthen Overall and/or Acquisition Workforces**

DOE	Analyzed the acquisition workforce, performed a gap analysis, and is now implementing a new career development program to address the gaps identified. The program partly focuses on developing future leaders of the acquisition workforce.
GSA	Established a new Office of Acquisition Workforce Transformation to develop a succession plan, develop and implement recruiting programs, and ensure that appropriate training is provided to acquisition workers; established Education/Training Center as part of ongoing strategy to address skill gaps.
HHS	Implementing a new intern program and an emerging leaders program in which it has included acquisition workers; initiated a new training program for acquisition workers.
NASA	Developing an agencywide workforce planning system that will track distribution of its workforce across programs, critical skills, and management experience and will permit NASA to identify gaps between skills required and skills available. NASA plans to have the system implemented by September 2003. Implemented Career Development and Procurement Certification Programs to provide training for acquisition professionals.
Treasury	Established a Treasury Acquisition Institute, which provides a curriculum to meet the needs of an evolving acquisition workforce. The program includes courses on communication, information technology, project management, and leadership.
VA	Implementing a new information system to capture data on training and education of its acquisition workforce. The system should help to identify current skills and competencies.

Source: GAO analysis of agency-provided data.

## Challenges Facing Agencies

Major challenges facing the agencies we reviewed were difficulty in forecasting their missions in the future because of shifting priorities and budgets and difficulty in predicting the characteristics that the future workforce will need. Also, acquisition rules and regulations are changing, making it difficult for agencies to predict what will be required of their acquisition workforce in years to come. Officials at DOE said that given the dynamic nature of the agency's mission focus and budget direction, forecasting the future represented a formidable challenge. Officials at HHS also noted that improving the focus on the agency's mission and the skills sets needed to accomplish the mission was their biggest challenge. Officials at VA told us that they are still trying to determine how the department would be conducting its acquisitions in the future, and therefore they could not yet predict the kind of acquisition workforce VA would need.

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Compounding the uncertainty of the future environment is the changing role of the acquisition professional from merely a purchaser or process manager to a business manager. Uncertainty is also caused by an increased focus on performance and outcomes, which requires greater integration of functions such as acquisition, financial management, and program management. In order to make this transition, acquisition workers will need to acquire an entirely new set of skills and knowledge, according to the agency officials with whom we spoke. For example, in addition to having a firm understanding of contracting rules and processes, acquisition workers will need to be adept at consulting and communicating with line managers, and they will need to be able to analyze business problems, identify different alternatives in purchasing goods or services, and assist in developing strategies in the early stages of the acquisition. Finally, a deeper understanding of market conditions, industry trends, and the technical details of the commodities and services being procured will be required.

Another challenge for agencies is the lack of data on the characteristics of the current workforce (e.g., size of workforce; deployment across the organization; knowledge, skills and abilities; attrition rates; retirement rates; etc.). NASA and VA are developing their own management information systems to capture this data. In addition, the FAI is developing a management information system, called the Acquisition Career Management Information System, to help agencies and departments collect and maintain standardized data on their acquisition workforces. The director of the FAI stated that the system is expected to be operational by January 2003.

An additional challenge cited by some agency procurement officials is the lack of a means to share information among agencies about best practices or lessons learned in dealing with acquisition workforce issues. One potential mechanism for providing such leadership is the PEC, which was created to provide a senior-level forum for monitoring and improving the federal acquisition system. The OFPP Administrator currently serves as the chair of the council.

The council established an Acquisition Workforce Committee in 1999 to focus on the changing role of the acquisition workforce and to identify methods and strategies to equip this workforce with the knowledge, skills, and abilities to successfully meet the challenges of change. According to the committee chair, the council has only recently recognized that it needs to take a leadership role in coordinating agencies' efforts to strengthen the acquisition workforce. However, assuming this leadership role will present

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its own challenges. For example, the PEC has yet to reach a consensus on how best to fulfill this role, in part because of the difficulty in finding common ground among several federal agencies with different agendas and missions. In addition, agencies currently lack formal mechanisms for sharing information about best practices or lessons learned on dealing with acquisition workforce issues.<sup>3</sup>

The Acquisition Workforce Committee had chartered working groups to research acquisition workforce needs, establish a governmentwide Acquisition Management Intern Program, develop retention strategies and incentives, and determine the ideal skills and characteristics of the future acquisition professional. According to the chair of the committee, although some of these initiatives, such as the intern program, have been successful, the effort to develop a broader governmentwide approach to building and implementing a model for the future acquisition workforce has been slow because the PEC has been realigning itself and redefining its strategic initiatives to support the President's Management Agenda and to respond to issues related to homeland security.

The following information provides details of the civilian agencies' efforts to address acquisition workforce issues. The check marks in the Status section indicate each agency's progress in developing strategic plans for its overall workforce and for its acquisition workforce, if applicable.

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<sup>3</sup> OPM has a Web site dedicated to workforce planning ([www.opm.gov/workforceplanning](http://www.opm.gov/workforceplanning)), which contains information about what some federal agencies are doing with respect to workforce planning and provides contact information for each agency. OPM officials responsible for this site told us that they are in the process of constructing a "workforce planning best practices" section on the Web site. However, the Web site does not contain specific information on acquisition workforce issues.

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**General Services Administration****Size and Role of Acquisition Workforce**

As the government's primary procurement arm, GSA's role is to assist agencies in procuring supplies and services, office space, equipment, telecommunications, and information technology. The GSA acquisition workforce comprises about 2,950 personnel out of a total of about 14,000.

GSA considers its primary acquisition workforce to include contract specialists (GS 1102), procurement clerks (GS 1106), purchasing specialists (GS 1105), property disposal agents (GS 1104), contracting officers, and contracting officer representatives /contracting officer technical representatives. In the near future, GSA will expand this definition to include program managers.

**Condition of Acquisition Workforce**

GSA sees its acquisition workforce as integral to accomplishing its mission. To keep up the trend toward purchasing highly complex and technical goods and services, GSA will need its acquisition workforce to build knowledge on market conditions, industry trends, and the technical details of the commodities and services being acquired. GSA also envisions broadening the knowledge base of acquisition professional beyond the procurement field into areas such as budget, finance, and program management. A little over 26 percent of the acquisition workforce will be eligible to retire by 2007.

**Status of Overall Workforce Strategic Plans**

- Agency has published/drafted human capital strategic plan
- Defined vision/objectives
- Identified competencies needed
- Identified competencies present
- Gap analysis
- Transition plans Evaluate/adjust

**Status of Acquisition Workforce Strategic Plans**

- Separate human capital strategic plan for acquisition workforce<sup>a</sup>
- Defined vision/objectives
- Identified competencies needed
- Identified competencies present
- Gap analysis
- Transition plans Evaluate/adjust

**Efforts**

GSA has established the Office of Acquisition Workforce Transformation to foster the development of the acquisition workforce. Among other things, the office is responsible for developing a succession plan, developing and implementing recruitment programs, and developing and managing education/training standards and data.

GSA has identified acquisition as one of its mission-critical occupations, and has established the competencies needed by the acquisition workforce. However, GSA currently does not know whether its acquisition workforce has the requisite competencies. Therefore, it has established the Applied Learning Center to measure whether the acquisition workforce has the competencies to carry out its duties successfully. The pilot project will begin in 2003 and will be completed that calendar year. The results of the pilot will provide an indication of the skills gaps in GSA's acquisition workforce. As a part of its ongoing strategy to address the skills gaps identified, GSA has also established an Education and Training Center to provide the needed training.

**Challenges**

GSA currently tracks its acquisition workforce data manually and maintains it in a database. GSA will migrate this data to the Acquisition Career Management Information System when it comes on line in the January 2003 timeframe.

<sup>a</sup>GSA published its Human Capital Strategic Plan in August 2002. The acquisition workforce strategic plan is incorporated in the Human Capital Strategic Plan.

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## National Aeronautics and Space Administration

### Size and Role of Acquisition Workforce

Out of a total of about 18,000 employees, approximately 680 comprise NASA's acquisition workforce. NASA contracts out about 90 percent of its budget; it spent about \$12.7 billion in fiscal year 2001. The acquisition function is essential because NASA is a research and development (R&D) agency, and the ability to achieve its mission is dependent on the acquisition function of awarding R&D contracts. NASA's missions are: to advance and communicate scientific knowledge and understanding of the Earth, the solar system and the universe; to advance human exploration, use, and development of space; and to research, develop, verify, and transfer advanced aeronautics and space technologies.

NASA includes contract specialists (GS 1102), purchasing specialists (GS 1105), contracting officers, and procurement clerks in its acquisition workforce.

### Condition of Acquisition Workforce

Since 1993, the acquisition workforce has been reduced more than 30 percent, from about 1,000 in fiscal year 1993 to about 680 in fiscal year 2002. By the end of 2007, another 27 percent of the remaining acquisition workforce will be eligible for retirement. However, NASA does not perceive a crisis in its acquisition workforce because of current hiring and an emphasis on an intern program that is expected to continue to bring in new acquisition employees.

Also, NASA does not anticipate a big shift in the role of its acquisition workforce because the goods and services it purchases are not likely to change.

### Status of Overall Workforce Strategic Plans

- Agency has published/drafted human capital strategic plan
- Defined vision/objectives
- Identified competencies needed
- Identified competencies present
- Gap analysis
- Transition plans
- Evaluate/adjust

### Status of Acquisition Workforce Strategic Plans

- Separate human capital strategic plan for acquisition workforce
- Defined vision/objectives
- Identified competencies needed
- Identified competencies present
- Gap analysis
- Transition plans
- Evaluate/adjust

### Efforts

Currently, each of the NASA Enterprises and Centers is responsible for identifying the workforce size and skills that it needs to accomplish its mission, but NASA recognizes that it has limited capability for personnel tracking and planning. To address this issue, it is developing an agencywide workforce planning system that will allow better management of the existing workforce and enable better strategic decisions about future workforce needs. The system will track the distribution of workforce across programs, personnel critical skills, and personnel management experience, and will permit NASA to identify gaps between skills required and skills available. NASA officials responsible for developing the system said that it could be used to determine and predict gaps in the acquisition workforce. NASA hopes to have the system implemented agencywide by September 2003.

NASA's Office of Procurement has three initiatives to address entry-level, mid-level and senior-level staff development needs: NASA's Contracting Intern Program ensures a pipeline of well-trained, college-educated candidates to offset demographic trends; NASA's Career Development and Procurement Certification Programs ensure that acquisition professionals receive training that meets or exceeds statutory requirements; and NASA's Rotational Assignments with Industry provide senior acquisition professionals with corporate experience and the tools needed to assume acquisition management and other leadership positions.

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**Department of Energy****Size and Role of Acquisition Workforce**

DOE has about 14,100 federal employees, with a contracting workforce of 464. The contracting workforce includes contracting officers and contract specialists (GS 1102), purchasing specialists (GS 1105), and other series with significant acquisition responsibilities assigned to DOE procurement offices. DOE contracts out about 94 percent of its budget, using a widespread network of contractors. In fiscal year 2001, DOE spent approximately \$18.6 billion on contracts. The department manages an extensive array of energy programs over a nationwide complex that includes headquarters organizations, operations offices, field offices, national laboratories, power marketing administrations, special purpose offices, and sites now dedicated to environmental cleanup. With over 100,000 contractor employees who manage approximately 50 major installations across the county, acquisition is critical to accomplishing the department's mission.

In addition to the series listed above, the DOE acquisition workforce includes procurement clerks (GS 1106), project/program managers, property managers, financial assistance specialists, and contracting officer representatives.

**Condition of Acquisition Workforce**

In fiscal year 1995, DOE began a 5-year period of downsizing. During this period, it essentially stopped hiring. As a result, the average age of the DOE workforce increased. In 1998, the DOE procurement executive conducted a demographic study of the acquisition workforce because of concerns that 4 years of downsizing had created potential short- and long-term problems regarding the ability of the workforce to meet future needs. The study found that DOE was likely to lose its acquisition leadership because of retirements and therefore needed to develop leadership skills in the remaining workforce. In addition, DOE's assessment of the acquisition environment identified education and developmental needs in project/program management, property management, financial assistance, and contractor human resource management. A survey conducted in 2001 showed that the department would continue to face the same issues as revealed by the 1998 study.

In response to the 1998 study, DOE initiated its Acquisition Career Development Program to address the gaps identified. The program is designed to ensure that the department will have sufficient numbers of personnel with adequate education and training to perform the acquisition mission.

**Status of Overall Workforce Strategic Plans**

- ✓ Agency has published/drafted human capital strategic plan
- ✓ Defined vision/objectives
- ✓ Identified competencies needed
- ✓ Identified competencies present
- ✓ Gap analysis
- ✓ Transition plans
- Evaluate/adjust

**Status of Acquisition Workforce Strategic Plans**

- ✓ Separate human capital strategic plan for acquisition workforce
- ✓ Defined vision/objectives
- ✓ Identified competencies needed
- ✓ Identified competencies present
- ✓ Gap analysis
- ✓ Transition plans
- Evaluate/adjust

**Efforts**

The elements of the Acquisition Career Development Program include an intern program, a training and certification program, and a program to develop future leaders of the acquisition workforce by providing educational and experiential opportunities. This program includes course work in acquisition-related areas, rotational assignments with industry, attendance at a leadership institute, and a developmental assignment as Acting Director at Headquarters.

**Challenges**

Some of the challenges cited by DOE officials included the difficulty of forecasting the mission of the agency in an environment of shifting budgets and priorities, the lack of lower-level (i.e., below office director level) management support for workforce planning efforts, and the lack of funding and resources to implement developmental programs.

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**Department of Veterans Affairs****Size and Role of Acquisition Workforce**

The VA sees its acquisition workforce as integral part to accomplishing its mission. The acquisition workforce of 6,000 represents about 2.5 percent of the total workforce of 240,000. The acquisition workforce's primary role is to purchase pharmaceuticals, medical-surgical supplies, prosthetic devices, information technology, construction, and services for America's veterans and their families. VA spent about \$5.9 billion on contracts in fiscal year 2001, which represented about 12 percent of its budget.

The acquisition workforce includes contract specialists (GS 1102), purchasing specialists (GS 1105), contracting officers, contracting officer representatives, contracting officer technical representatives, and other acquisition-related positions such as program managers and procurement clerks.

**Condition of Acquisition Workforce**

The Secretary of Veterans Affairs established a Procurement Reform Task Force in June 2001 to review VA's acquisition system and develop specific recommendations for optimizing the system. The task force found that the acquisition workforce is in a vulnerable position because the nature of its work is changing rapidly, requiring broader competencies and more complex skill sets. In addition, it found an increased need for employees with higher educational levels, general management proficiency, and the ability to leverage information technology. The task force also recognized that a critically high number of VA's acquisition employees are eligible for retirement.

**Status of Overall Workforce Strategic Plans**

- Agency has published/drafted human capital strategic plan
- Defined vision/objectives
- Identified competencies needed
- Identified competencies present
- Gap analysis
- Transition plans
- Evaluate/adjust

**Status of Acquisition Workforce Strategic Plans**

- Separate human capital strategic plan for acquisition workforce
- Defined vision/objectives
- Identified competencies needed
- Identified competencies present
- Gap analysis
- Transition plans
- Evaluate/adjust

**Efforts**

The procurement reform task force proposed a workforce development strategy consisting of several initiatives that would ensure a sufficient and talented acquisition workforce. However, the task force report noted that the implementing a strategic plan for the acquisition workforce would bind these initiatives together and ensure that the workforce is managed as a single entity, rather than as a loose collection of related occupations.

VA is in the early stages of developing a strategic workforce plan for its acquisition workforce and is in the process of implementing some of the task force's recommendations. For example, it has implemented the Center for Acquisition and Materiel Management Education On-line (CAMEO), a centralized management information system to capture data on the training and education of its acquisition workforce. This data will help identify the skills and competencies the acquisition workforce has currently. VA acquisition personnel began populating the CAMEO database in January 2002.

In addition to serving as a database, CAMEO provides on-line training. VA's first on-line training course became available to its acquisition workforce in December 2001. VA develops and provides training programs and courses following the curriculum established by the FAI. VA also conducts continuing education sessions tailored to the nonmanagerial and managerial members of the acquisition workforce.

**Challenges**

While the task force report articulated a broad vision for the acquisition workforce, VA is trying to identify the specific skills and competencies the acquisition workforce currently has and what will be needed in the future. VA does not have a centralized database with complete and accurate data that will enable it to identify the skills and competencies for its current workforce. Because the VA is in the process of changing its acquisition practices and processes, it cannot yet predict precisely what kind of workforce will be needed.

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**Department of Treasury****Size and Role of Acquisition Workforce**

Treasury's acquisition workforce provides a support function for the department's 15 bureaus. The Treasury acquisition workforce of 640 represents less than 1 percent of the total workforce of 134,577. The total of 134,577 does not include seasonal workers. Treasury does not plan to develop an acquisition workforce plan since it does not identify the acquisition workforce as a challenge in accomplishing its mission.

Treasury's acquisition workforce includes contract specialists (GS 1102), purchasing agents (GS 1105), and procurement clerks (GS 1106).

**Condition of Acquisition Workforce**

Historical data indicate that Treasury GS 1102s have a low attrition rate of 13 percent, which is balanced by a one-for-one new hire ratio of 12.9 percent. About 22 percent of the GS 1102s will be eligible to retire in 2004, with the percentage rising to 44 in 2009. However, an October 2001 Workforce Planning Report by the Treasury Deputy Assistant Secretary for Human Resources cites OPM data that indicate most federal employees wait 3 years past their eligibility date to actually retire. In light of the above data, the department has not identified the acquisition workforce as a management challenge. However, Treasury has recognized that the role of the acquisition workforce is evolving from simply purchasing to that of business advisor as the government procurement environment changes.

**Status of Overall Workforce Strategic Plans**

- Agency has published/drafted human capital strategic plan
- Defined vision/objectives
- Identified competencies needed
- Identified competencies present
- Gap analysis
- Transition plans
- Evaluate/adjust

**Status of Acquisition Workforce Strategic Plans**

- Separate human capital strategic plan for acquisition workforce
- Defined vision/objectives
- Identified competencies needed
- Identified competencies present
- Gap analysis
- Transition plans
- Evaluate/adjust

**Efforts**

Treasury is implementing initiatives to ensure that the acquisition workforce does have the skills and competencies needed currently and in the future. For example, the agency has established the Treasury Acquisition Institute, which offers a curriculum to meet the needs of its acquisition workforce. Besides procurement, the institute offers courses in interpersonal communication and computer capabilities, as well as courses in project management, competitive sourcing, and leadership. The institute and the office of the Treasury Procurement Executive also conduct nontraditional training such as procurement conferences and other procurement training as needed.

Treasury has established a Treasury Procurement Intern Program to recruit hire and train new contract specialists, an Acquisition/Business Career Management Program and a Fulfillment Program.

Treasury officials stated that the department is actively participating with the FAI to develop and establish a standard set of skills and competencies that may be used governmentwide. FAI planned to implement the set of skills and competencies by late 2002.

**Challenges**

Treasury officials noted that the lack of a standardized, governmentwide set of skills and competencies for the future acquisition workforce made it difficult to assess the current workforce.

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**Department of Health and Human Services****Size and Role of Acquisition Workforce**

The acquisition workforce is considered a mission support activity that provides assistance to the 11 operating divisions to accomplish their mission of protecting the health of all Americans and providing essential human services, particularly for those least able to help themselves. The HHS acquisition workforce of 963 makes up 1.5 percent of the total HHS workforce of 64,836. In fiscal year 2001, the agency spent about \$6.2 billion on federal contracts, which represented about 1 percent of its total budget.

The acquisition workforce includes contracting officers (GS 1102), purchasing agents (GS 1105), and procurement technicians.

**Condition of Acquisition Workforce**

About 15 percent of the acquisition workforce is currently eligible to retire. However, according to HHS officials, this percentage is not out of line with the HHS workforce as a whole. In addition, neither retirements nor overall attrition among this workforce has shown itself to be a problem in recent years. Consequently, HHS does not view the acquisition workforce as a management challenge.

In terms of the future acquisition workforce, HHS, like other agencies, envisions its acquisition workforce evolving into business managers.

**Status of Overall Workforce Strategic Plans**

- Agency has published/drafted human capital strategic plan
- Defined vision/objectives
- Identified competencies needed
- Identified competencies present
- Gap analysis
- Transition plans
- Evaluate/adjust

**Status of Acquisition Workforce Strategic Plans**

- Separate human capital strategic plan for acquisition workforce
- Defined vision/objectives
- Identified competencies needed
- Identified competencies present
- Gap analysis
- Transition plans
- Evaluate/adjust

**Efforts**

HHS and its operating divisions have developed human capital plans for ensuring that the overall workforce has the skills needed to manage their programs. HHS has implemented initiatives such as the HHS Emerging Leaders program and a training program for its acquisition workforce. The department has also participated in the governmentwide Acquisition Management Intern Program. These initiatives are aimed at ensuring that the acquisition workforce will have the skills and competencies to accomplish the agency's mission and evolve into the business managers/advisors that will be needed in the future.

**Challenges**

HHS officials said they faced the following challenges in trying to address their future acquisition workforce needs: the lack of standardized equivalencies for acquisition training courses taken at other government agencies to help determine skill levels and competencies, a lack of data to identify/characterize the workforce, and a need to improve focus on the agency mission and develop competencies for effective acquisitions to support that mission.

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## DOD Experience in Workforce Planning Provides Useful Lessons Learned

DOD has been working for several years to strengthen its civilian acquisition workforce.<sup>4</sup> The acquisition workforce comprises a large proportion of the overall workforce, and DOD views the acquisition workforce as critical to accomplishing its mission.<sup>5</sup> DOD has analyzed its current workforce and made projections for the future. But in doing so, it recognized that implementing a strategic approach to reshaping the workforce involves substantial challenges. The overriding challenge for DOD was the need to overcome cultural resistance to the strategic approach and build a solid foundation for planning, which DOD recognized could take years to accomplish. The civilian agencies we studied may face some of the same challenges as they press forward with their own planning efforts. The specific lessons learned from DOD's efforts to address its challenges are highlighted in table 4.<sup>6</sup>

**Table 4: Highlights of DOD's Lessons Learned**

<b>Leadership</b>	<b>Planning Foundation</b>
Because the strategic planning effort takes time, particularly when key planning tools are lacking, sustained commitment by managers is needed.	Ensure that the organization has accurate and accessible data to carry out workforce analyses. Acquire new systems or modify legacy systems, if needed.
Ensure that planning is carried out at the appropriate level of the organization. Individual components or business units may be better suited than headquarters to develop plans because they have a better sense of current and future needs and capabilities.	Ensure that the organization has the right tools to make projections about the workforce. Acquire the tools, if necessary, and provide training on their use.
If planning is being carried out at lower organizational levels, be sure managers have the authority they need and that they support the effort.	Provide guidance for the planning effort. Make sure it clearly identifies strategic and performance goals.

Source: GAO analysis of agency-provided data.

<sup>4</sup> DOD refers to its acquisition workforce as its acquisition, technology, and logistics workforce.

<sup>5</sup> DOD includes a wider variety of disciplines in its acquisition workforce, compared to most civilian agencies. See U.S. General Accounting Office, *Acquisition Workforce: Agencies Need to Better Define and Track the Training of Their Employees*, [GAO-02-737](#) (Washington D.C.: July 2002) for a discussion of this issue.

<sup>6</sup> Department of Defense, *Report to the Committees on Armed Services of the Senate and House of Representatives: Implementation of the Acquisition Workforce 2005 Task Force Recommendations* (Washington, D.C.: March 2002).

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## DOD Planning Efforts

During the past decade, DOD has downsized its civilian acquisition workforce by half. It now faces what it considers to be serious imbalances in the skills and experience of its remaining workforce and the potential loss of highly specialized knowledge if many of its acquisition specialists retire. DOD created the Acquisition 2005 Task Force to study this problem and develop a strategy to replenish personnel losses. The task force's first recommendation was to develop and implement a human capital strategic plan for the civilian acquisition workforce.<sup>7</sup>

In response to this recommendation, DOD components<sup>8</sup> undertook a strategic planning effort in 2001 in tandem with an array of other initiatives aimed at strengthening the acquisition workforce, including personnel demonstration projects<sup>9</sup> and new recruiting and new training initiatives. In its first strategic planning cycle, DOD engaged a consultant to provide training on the workforce planning process, which took about 2 days, and then set out to develop the plans.

According to DOD officials, despite encountering problems during the first cycle, the effort was useful in that the components had begun to think strategically about their workforce. However, the officials recognized that the results were imperfect. For example, none of the initial plans submitted by DOD's components contained a complete analysis of potential gaps for the civilian acquisition workforce. The components attributed this problem to deficiencies in the first attempt at the planning process. Specifically, due to the time constraints and the timing of the process, the components lacked sufficient planning guidance from the Office of the Secretary of Defense, such as the Defense Planning Guidance and the Quadrennial Defense Review, which had not yet been issued. In addition, inadequate modeling capability made the process less than optimum. Furthermore, the output was hampered somewhat by inconsistent accuracy of personnel data.

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<sup>7</sup> Department of Defense, *Acquisition 2005 Task Force Final Report, Shaping the Civilian Acquisition Workforce of the Future* (Washington, D.C.: October 2000).

<sup>8</sup> DOD components refer to the military services (i.e., Air Force, Army, and Navy) and the defense agencies. Strategic plans were prepared by the Air Force, Army, and Navy and three defense agencies: the Defense Contract Audit Agency (DCAA), Defense Contract Management Agency (DCMA), and the Defense Logistics Agency (DLA).

<sup>9</sup> See U.S. General Accounting Office, *Acquisition Workforce: Department of Defense's Plans to Address Workforce Size and Structure Challenges*, [GAO-02-630](#) (Washington, D.C.: July 29, 2002), for a discussion of DOD's Acquisition Workforce Personnel Demonstration Project.

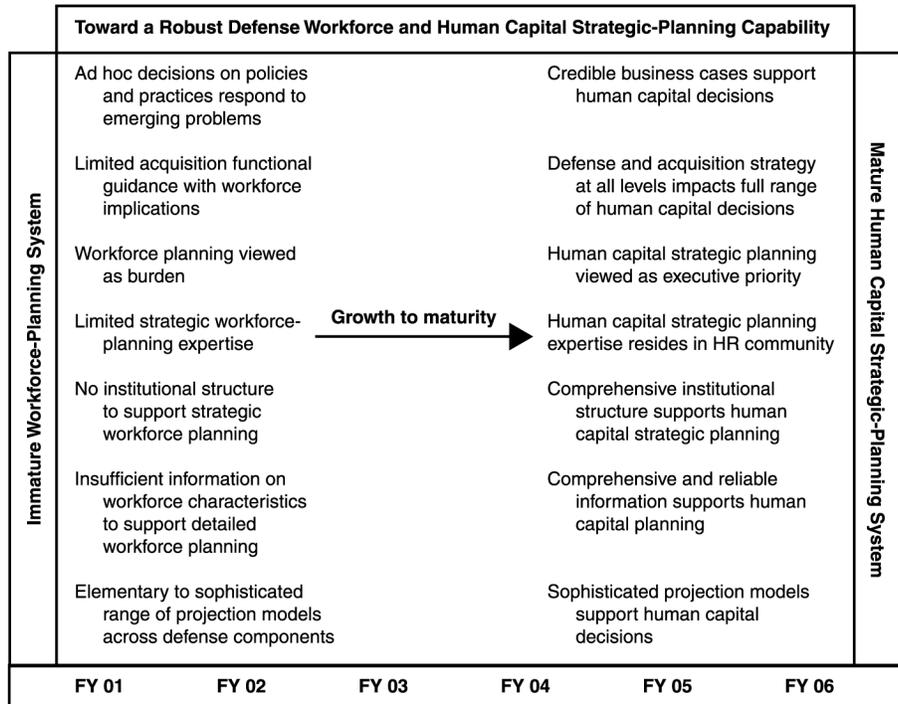
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DOD still found that the first cycle provided a valuable experience because it highlighted the key planning barriers that needed to be overcome. In addition to a lack of specific guidance, data, and modeling tools, other barriers included ad hoc policy decisions, cultural resistance to workforce planning, limited strategic workforce planning expertise, and the lack of an institutional structure to support strategic workforce planning. DOD also recognized that overcoming these barriers would not be easy because they require DOD to acquire new systems and tools and to make a cultural shift from viewing human capital as a support function to a mission function. As figure 1 illustrates, DOD now estimates that it will take as long as 5 years to mature the human capital strategic planning process.<sup>10</sup>

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<sup>10</sup> Department of Defense, *Report to the Committees on Armed Services of the Senate and House of Representatives: Implementation of the Acquisition Workforce 2005 Task Force Recommendations* (Washington, D.C.: March 2002).

**Figure 1: DOD’s Framework for Developing a Mature Human Capital Strategic Planning System**



Source: DOD.

Several specific lessons learned from DOD’s experience are highlighted below.

## Leadership

An overriding lesson learned from DOD has been that making the cultural shift from viewing human capital as a support function to a mission function requires strong and sustained leadership involvement. GAO’s guidance on human capital strategic planning also emphasizes the shift in the role of the human capital function from a support function to one that is integral to achieving the agency’s mission. In addition, leadership is needed to foster an agency’s vision, align organizational components, and build commitment to the vision at all levels of the organization.<sup>11</sup>

<sup>11</sup>U.S. General Accounting Office. *Human Capital: A Self-Assessment Checklist for Agency Leaders*, GAO/OCG-00-14G (Washington, D.C.: September 2000).

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For DOD, leadership involvement from leaders at lower levels of the organization was particularly critical since it became apparent in the first cycle of planning that attempting to develop a workforce plan at an agencywide level for a disparate organization such as DOD was almost impossible. This is because the various business units within an agency have very different missions, workforce characteristics, and needs. At the same time, DOD recognized that additional authority needed to be provided to managers within business units for making any needed changes as they developed their plans. For example, these managers might not have had additional hiring authority to address the gaps they identified. DOD officials noted that providing such authority may require policy, regulatory, or statutory changes.

Another leadership challenge facing DOD was that some DOD components lacked buy-in on the importance of acquisition workforce planning. A consultant hired to assist DOD's acquisition workforce planning efforts said that one reason managers view workforce planning skeptically is because the results of such efforts are difficult to measure, and the costs can be significant. DOD officials acknowledged, however, that although the costs may be significant, the costs of making decisions without the necessary information would be equally significant and could lead to worse problems. Our guidance reflects this view as well.<sup>12</sup>

Another deficiency identified by DOD in its first planning effort was the lack of guidance that identified what DOD's goals were for human capital and how planning efforts should be carried out. Without a clearly articulated statement of intent, DOD components lacked a strong rationale for developing a view of what the future workforce should look like. Moreover, without guidance on how the planning should be done, components took differing approaches to their analyses.

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## Planning Tools

In assessing the results of its first planning cycle, DOD found that it lacked essential strategic planning tools, including systems that could accumulate and report all data needed for its forecasting efforts, models for projections, and planning guidance. Our own guidance recognizes such tools as essential to successful strategic planning. For example, our guidance points out that valid and reliable data are critical not only to

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<sup>12</sup> U.S. General Accounting Office, *Exposure Draft: A Model of Strategic Human Capital Management*, [GAO-02-373SP](#) (Washington, D.C.: March 2002).

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assess an agency's workforce requirements, but also to heighten an agency's ability to manage risk by allowing managers to spotlight areas for attention before crises develop and identify opportunities for enhancing agency results.<sup>13</sup>

Another factor complicating the components' workforce planning efforts was the difficulty in obtaining data needed to develop plans. Officials at one DOD component, for example, told us that they had to use three different data systems in an attempt to identify the characteristics of the current workforce, and even then they were not sure that the data was accurate. One system was used to obtain data on such things as pay grade, job series, and location; another system was used to extract retirement data; and a "home-grown" attrition model was used to project how many people would leave, die, and retire based on historical trends. A consultant in the first planning effort also told us that most of the models used to make projections were rudimentary, at best, and that forecasting data important to making projections was incomplete, missing, and/or inaccurate.

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## DOD Has Taken Steps to Address Challenges

DOD is working to overcome the problems experienced during the first planning cycle. It held working group meetings with the components to gather lessons learned and develop recommendations to improve the quality of the data for the second planning cycle, which began in January 2002. For the second cycle, DOD issued guidance that was expected to help components identify future workforce requirements. DOD officials expect that each cycle will improve as the planners gain experience.

As part of the institutionalization of the human capital strategic planning process, the Under Secretary of Defense for Acquisition, Technology and Logistics has issued a policy directing that the planning will occur annually. The policy also directs that forecast data will be tied to budget information. DOD components will collect and array data that includes a focus on end-strength projections and expected costs to reach those projections. According to DOD officials, the issuance of this policy and the guidance provided previously should help to overcome resistance to strategic planning. They noted that the number of DOD components that want to participate in the next cycle has increased to 11 (from 6 in the first

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<sup>13</sup> [GAO-02-373SP](#).

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year), because the components see the value of strategic planning for the acquisition workforce.

DOD is now implementing a workforce data management strategy to improve the collection and storage of personnel data. The intent is to identify new data requirements and information needs for strategic planning. In addition, DOD is working to develop more sophisticated modeling tools. As part of the second strategic planning cycle, DOD hosted a workshop for its components to discuss tools that would support the workforce planning effort. These tools included a workforce model that provides a current view of the workforce, an aging projection model that predicts what the current acquisition workforce inventory would look like within a certain period of time, and a future requirements determination model that ties workload to resource allocation and projects how changes in workload will affect resource use in the future. DOD officials expect that these tools will improve the results of the second planning cycle and also expect the tools themselves to improve in the future.

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## Conclusions

Procurement reforms, technological changes, and downsizing have placed unprecedented demands on the acquisition workforce. Acquisition workers are now expected to have a much greater knowledge of market conditions, industry trends, and the technical details of the commodities and services they procure. For this reason, any agency that relies heavily on acquisition to accomplish its mission stands to benefit greatly by developing strategic human capital plans that define the capabilities that will be needed by the workforce in the future, as well as strategies that can help the workforce meet these capabilities.

While the civilian agencies we reviewed are generally in the early stages of this process, DOD's experience highlights the need to provide the right foundation for planning. This includes obtaining appropriate data collection and modeling tools, planning expertise, and management buy-in. More important, DOD's experience has shown that strategic workforce planning is not an easy task and can take several years to accomplish. This makes it especially important for agencies to sustain strong leadership and support for the planning effort and to be able to learn from each other's experiences, with assistance from procurement executives and organizations such as the OFPP.

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## Recommendation

In order to leverage the experiences of federal agencies' efforts, including those of DOD, to address future acquisition workforce needs, we

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recommend that the OFPP Administrator work with procurement executives to ensure that the lessons learned from these efforts are shared with all federal agencies as they continue with their initiatives to improve the acquisition workforce.

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## Agency Comments and Our Evaluation

DOD, NASA, HHS, and DOE provided written comments on a draft of this report. OFPP and Treasury provided comments via e-mail. VA and GSA chose not to provide comments. All the agencies generally agreed with our findings and recommendation. However, OFPP noted that the role of the PEC is likely to change in the future and therefore suggested our recommendation direct the Administrator of the OFPP to work with procurement executives, rather than with the PEC. We have made this change.

DOD and NASA concurred with our findings and had no further comment. Their comments appear in appendix I and appendix II, respectively.

HHS concurred with our findings, but provided technical comments, including clarifying that it views acquisition as critical to mission success, although acquisition is not a primary function of the agency. We incorporated these technical comments as appropriate. HHS's formal comments appear in appendix III.

Treasury provided technical comments, including one focused on distinguishing between permanent and seasonal workers in its workforce. We incorporated the comments as appropriate.

DOE provided technical comments, which we incorporated as appropriate, and it expressed four concerns. First, DOE made the distinction between its acquisition workforce and its contracting workforce. We added language to reflect this distinction. Second, DOE noted that our report does not appear to recognize its ongoing efforts to evaluate and adjust its overall workforce and acquisition workforce strategic plans, nor does our report note that DOE continually evaluates the effectiveness of its programs. We asked DOE to provide more information on the evaluation process, and a DOE official stated that while evaluation does occur, there is no formal process for doing so, nor is there any documentation of such evaluation. Third, DOE asked us to provide more detail about its formal succession plan program. We believe our report already captures this information, but in a summarized manner. The information on pages 10 to 15 is meant to display the highlights of agencies' efforts to address acquisition workforce issues. Finally, DOE

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believed that the lack of management support did not pose a challenge to its efforts to improve the acquisition workforce, but that a lack of resources to implement developmental programs has been a challenge. While we agree that DOE's top management has been supportive of workforce planning, our allusion to the lack of management support for workforce planning efforts refers to a lack of support at lower levels of management. We have modified the report to explain this issue and to address the lack of resources. DOE's comments appear in appendix IV.

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## Scope and Methodology

To determine civilian agencies' efforts to address their future workforce needs, we interviewed the procurement executives and other acquisition officials at GSA, NASA, DOE, VA, HHS, and Department of Treasury, and we reviewed documents that they provided. These six agencies accounted for about 72 percent of the federal dollars contracted by civilian (non-DOD) agencies in fiscal year 2001. We did not assess the effectiveness of the agencies' efforts or validate the data they provided. In addition, we contacted officials at OPM and OFPP to determine what guidance may have been provided to assist agencies with their acquisition workforce planning efforts. We also interviewed officials with the PEC to obtain their views on future acquisition workforce issues.

To identify the lessons learned from DOD's efforts to develop strategic plans for its acquisition workforce, we reviewed DOD's report on the implementation of the Task Force 2005 recommendations. We interviewed officials from the Office of the Under Secretary of Defense for Acquisition, Technology and Logistics; acquisition management officials for the military services; and other officials representing DCAA, DCMA, and DLA. In addition, we obtained relevant documents and interviewed DOD and contractor officials involved in DOD's strategic planning efforts.

We conducted our review between December 2001 and October 2002 in accordance with generally accepted government auditing standards.

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As agreed with your office, unless you publicly announce the contents of this report earlier, we plan no further distribution of it until 30 days from the date of this letter. At that time, we will send copies to other interested congressional committees; the secretaries of Defense, Army, Air Force, Navy, Energy, Health and Human Services, Treasury, and Veteran's Affairs; and the administrators of the General Services Administration, the National Aeronautics and Space Administration, and the Office of Federal Procurement Policy. We will also make copies available to others upon

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request. In addition, the report will be available at no charge on the GAO Web site at <http://www.gao.gov>.

Please contact me at (202) 512-4125, or Hilary Sullivan at (214) 777-5652, if you have any questions regarding this report. Major contributors to this report were Vijay Barnabas, Cristina Chaplain, William Doherty, Enemencio Sanchez, Sylvia Schatz, and Edward Stephenson.

Sincerely yours,

A handwritten signature in black ink that reads "David E. Cooper". The signature is written in a cursive style with a large, stylized initial "D".

David E. Cooper  
Director  
Acquisition and Sourcing Management

# Appendix I: Comments from the Department of Defense



ACQUISITION,  
TECHNOLOGY  
AND LOGISTICS

## OFFICE OF THE UNDER SECRETARY OF DEFENSE

3000 DEFENSE PENTAGON  
WASHINGTON, DC 20301-3000

5 NOV 2002

Ms. Hilary Sullivan  
Assistant Director, Acquisition and Sourcing Management  
U.S. General Accounting Office  
441 G Street, N.W.  
Washington, D.C. 20548

Dear Ms. Sullivan:

This is the Department of Defense (DoD) response to the GAO draft report, "ACQUISITION WORKFORCE: Status of Agency Efforts to Address Future Needs," dated October 11, 2002, (GAO Code 120108/GAO-03-55). Human capital strategic planning is the first item on the President's Management Agenda and a top priority for the Department. The GAO report emphasizes the importance of such planning in shaping the future Federal workforce, as well as pitfalls in its implementation. We believe that the GAO has done an excellent job capturing DoD's challenges in human capital strategic planning with this report.

We consider the portion of the report regarding the DoD Acquisition, Logistics & Technology (AT&L) workforce human capital strategic planning fair and equitable. It addresses both the progress that we have made and problems that we have encountered. We are continuing to refine and improve our human capital strategic planning process. As you point out, we are overcoming the initial barriers.

The report acknowledges that the DoD AT&L workforce is a complex and disparate group. It encompasses 13 different career fields, with personnel serving at DoD sites throughout the world. That complexity requires that we build a sophisticated plan covering a wider variety of positions, reporting arrangements, locations, and career patterns different than other Federal agencies.

We are progressing toward a process and product that will meet all DoD's needs. The current process is becoming much more efficient and effective with each planning cycle. We have come a long way in a short time, and we are confident that we will achieve a mature process before the five year timeframe estimated in the report.

We appreciate the opportunity to comment on your report, and look forward to continued cooperation in our human capital challenge.

Sincerely,

  
Donna S. Richbourg  
Director, Acquisition Initiatives



# Appendix II: Comments from NASA

National Aeronautics and  
Space Administration  
**Office of the Administrator**  
Washington, DC 20546-0001



October 29, 2002

Mr. David E. Cooper  
Director  
Acquisition and Sourcing Management  
United States General Accounting Office  
Washington, DC 20548

Dear Mr. Cooper:

NASA has reviewed the draft GAO report "Acquisition Workforce: Status of Agency Efforts to Address Future Needs" (GAO-03-55) and thanks you for the opportunity to provide comments.

We were pleased the report included no recommendations for NASA. We were also pleased you recognized the fact we are taking steps to address our future acquisition workforce needs and that we are developing an overall workforce plan that will include the acquisition workforce. We have developed training and career development programs that are aimed at ensuring our acquisition workforce has the skills to accomplish the Agency mission.

If you have any questions or require additional information, please contact Tom Luedtke, Assistant Administrator for Procurement, at (202) 358-2090.

Cordially,

A handwritten signature in black ink, appearing to read "Frederick D. Gregory".

Frederick D. Gregory  
Deputy Administrator

# Appendix III: Comments from the Department of Health and Human Services



DEPARTMENT OF HEALTH & HUMAN SERVICES

Office of Inspector General

Washington, D.C. 20201

NOV 8 2002

Mr. David E. Cooper  
Director, Acquisition and Sourcing Management  
United States General  
Accounting Office  
Washington, D.C. 20548

Dear Mr. Cooper:

The department has reviewed your draft report entitled, "Acquisition Workforce: Status of Agency Efforts to Address Future Needs," and has no comments at this time.

The department provided several technical comments directly to your staff.

The department appreciates the opportunity to comment on this draft report before its publication.

Sincerely,

A handwritten signature in cursive script that reads "Janet Rehnquist".

Janet Rehnquist  
Inspector General

The Office of Inspector General (OIG) is transmitting the department's response to this draft report in our capacity as the department's designated focal point and coordinator for General Accounting Office reports. The OIG has not conducted an independent assessment of these comments and therefore expresses no opinion on them.

# Appendix IV: Comments from the Department of Energy



## Department of Energy

Washington, DC 20585

OCT 24 2002

Ms. Hilary Sullivan, Assistant Director  
U.S. General Accounting Office  
Acquisition and Sourcing Management  
Central Region – Dallas Office  
1999 Bryan Street, Suite 2200  
Dallas, TX 75201-6848

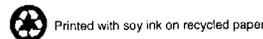
Dear Ms. Sullivan:

Thank you for the opportunity to comment on the draft report entitled “Acquisition Workforce: Status of Agency Efforts to Address Future Needs” (GAO-03-55). We offer the following comments, all pertaining to page 16 of the document.

Under the section “Size and Role of Acquisition Workforce,” the first paragraph states that the Department of Energy (DOE) has an acquisition workforce of 464. In the second paragraph of that section, the composition of the DOE acquisition workforce is provided. A casual reader would likely assume that DOE’s entire acquisition workforce, including the functional areas identified in the second paragraph of the section, is 464. The number 464 includes only GS-1102s and GS-1105s, and other series with significant acquisition responsibilities assigned to procurement offices within DOE. DOE has not yet quantified the project/program management and property management workforce. The number of Contracting Officer Representatives is over 700. The first sentence would therefore be more accurate if it stated that “DOE has about 14,100 Federal employees, with a contracting workforce of 464.” The second paragraph of the same section refers to “financial assistant specialists.” The word “assistant” should be changed to “assistance.”

The section entitled “Status of Overall Workforce Strategic Plans” and “Status of Acquisition Workforce Strategic Plans,” does not appear to recognize the ongoing efforts to evaluate and adjust the plans. DOE continually evaluates the effectiveness of the programs. Just recently, changes in the curriculum of the management and leadership development programs were implemented to ensure a more cost effective and efficient approach.

In the section entitled “Efforts,” developmental assignments are identified as part of the management/leadership development program of the DOE “Masters” and Top XX Programs. Developmental assignments are also available as Acting Director of one of the five senior procurement offices within the Office of Procurement and Assistance Management, in addition to the Director of the Office of Procurement and Assistance Management. The section would be more accurate if a second sentence were added, as



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follows: "A formal succession plan program, that offers developmental assignments as Acting Director of one of the five offices within the Office of Procurement and Assistance Management, is also part of the Acquisition Career Development Program."

Finally, in the section entitled "Challenges," management support for the workforce planning efforts has been instrumental in launching and maintaining the current program. Therefore, the phrase "the lack of management support for workforce planning efforts" should be deleted. Further, the phrase "the lack of resources to do workforce planning," does not reflect the true challenges faced by the Department. The section would be more accurate if it were revised to read as follows: "Some of the challenges cited by DOE officials included the difficulty of forecasting the needs of the agency in an environment of shifting budgets and priorities, and the lack of funding and resources to implement developmental programs."

We hope these comments are useful and appreciate the opportunity to review the draft report. If you have any further questions, please feel free to contact Mrs. Cynthia Yee of my staff, at 202-586-1140.

Sincerely,

  
Robert M. Webb, Acting Director  
Office of Procurement  
and Assistance Management

cc:  
Merley L. Lewis, ME-1.1

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## GAO's Mission

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