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Subject: *The Office of Management and Budget's Acquisition Workforce Development Strategic Plan for Civilian Agencies*

The President acknowledged that many federal contracting arrangements do not serve the needs of the federal government or the interests of the American taxpayer in a March 2009 memorandum.¹ Among many of the issues discussed, the memorandum states that the government needs to ensure that it has the workforce needed to carry out robust and thorough management and oversight of contracts to achieve programmatic goals, avoid significant overcharges, and curb wasteful spending. However, the capacity and the capability of the federal government's acquisition workforce to oversee and manage contracts have not kept pace with increased spending for increasingly complex purchases. For example, federal civilian agencies' acquisition spending increased in real terms from \$80 billion to \$138 billion between fiscal year 2000 and fiscal year 2008, while their acquisition workforce grew at a considerably lower rate. Furthermore, 55 percent of the current acquisition workforce will be eligible to retire in 2018—more than twice the number eligible in 2008—which creates potential future skill shortages. To help address the challenges faced in the federal contracting environment, the President's fiscal year 2011 budget identifies the development of the federal acquisition workforce as a priority investment with \$158 million requested to support that investment.

To help agencies develop plans to increase the size of the acquisition workforce, Congress enacted section 869 of the Duncan Hunter National Defense Authorization Act for Fiscal Year 2009 (NDAA 2009).² This provision directs the Office of Management and Budget (OMB) to prepare a plan—the Acquisition Workforce Development Strategic Plan (plan)—for federal agencies other than the Department of Defense to develop a specific and actionable 5-year plan to increase the size of the acquisition workforce and operate a governmentwide acquisition intern program. Section 869 outlined a number of matters that the plan was to include, such as the development of a sustainable funding model to support efforts to hire, retain, and train an appropriately sized and skilled acquisition workforce (see app. I for the matters specified in section 869). In response, OMB issued its plan for civilian agencies on

¹Presidential Documents, 74 Fed. Reg. 9755 (Mar. 6, 2009).

²Duncan Hunter National Defense Authorization Act for Fiscal Year 2009, Pub. L. No 110-417, § 869 (2008).

October 27, 2009.³ The plan, according to OMB, provides a structured approach for these agencies to augment and improve the skills of their acquisition workforce, which includes contract specialists, contracting officer's technical representatives (COTR), and program and project managers (P/PM).⁴ A key element of the plan is the requirement for each civilian agency covered by the Chief Financial Officers Act⁵ to submit an annual Acquisition Human Capital Plan (AHCP) to OMB by March 31, 2010 that identifies specific strategies and goals for increasing both the capacity and capability of its respective acquisition workforce for the period ending in fiscal year 2014 and requires agencies to use this information to address acquisition workforce needs in their annual budget submissions.

In addition, section 834 of the National Defense Authorization Act for Fiscal Year 2010 (NDAA 2010) directs GAO to report on OMB's plan 180 days after its issuance.⁶ As part of this mandate, GAO is to assess matters it considers appropriate with respect to OMB's plan, as well as several other matters not required of OMB under section 869, such as the extent to which OMB's plan considered agencies' use of contractor personnel to supplement the acquisition workforce (see app. I for matters specified in section 834). The mandate also requires GAO to assess the methodology OMB used to formulate the plan and the feasibility of the plan's recommendations and associated time frames. Accordingly, we are reporting on (1) the extent to which the plan addressed the matters specified in section 869 of the NDAA 2009 and those identified in section 834 of the NDAA 2010 and (2) the methodologies OMB used to formulate the plan's recommendations and the feasibility of the recommendations and associated time frames.

To address these objectives, we compared OMB's plan against the required elements of sections 869 and 834 and discussed how those elements were addressed in the plan with personnel from OMB's Office of Federal Procurement Policy (OFPP) who were responsible for formulating the plan. Additionally, we conducted a literature review of existing reports, policies, and laws related to acquisition workforce development to inform our assessment of the extent to which OMB considered these items in its plan. Finally, we interviewed acquisition workforce managers at nine federal agencies and the Federal Acquisition Institute (FAI)⁷ about their perceptions of the plan, their involvement in its formulation, and the feasibility of implementing its recommendations within the associated time frames. The nine agencies were selected based on contract award obligations from fiscal year 2009 and their involvement in the development of OMB's plan, ensuring we had a mix of agencies with a

³OFPP Memorandum, Subject: Acquisition Workforce Development Strategic Plan for Civilian Agencies – FY 2010 – 2014 (Oct. 27, 2009).

⁴The Office of Federal Procurement Policy (OFPP) defines the acquisition workforce as including individuals who perform various acquisition-related functions to support the accomplishment of an agency's mission. At a minimum, this includes all positions in the General Schedule contracting series, all contracting officers, all positions in the general schedule purchasing series, P/PMs as identified by each agency, all contracting officer's representatives (CORs) and COTRs, and any significant acquisition-related positions identified by the agency. OFPP Policy Letter 05-01, Developing and Managing the Acquisition Workforce (Apr. 15, 2005).

⁵Chief Financial Officers Act of 1990, Pub. L. 101-576 (1990).

⁶National Defense Authorization Act for Fiscal Year 2010, Pub. L. 111-84, § 834(b) (2009).

⁷Established in 1976 under the Office of Federal Procurement Policy Act, the Federal Acquisition Institute (FAI) has been charged with fostering and promoting the development of a federal acquisition workforce. FAI facilitates and promotes career development and strategic human capital management for the acquisition workforce and seeks to ensure availability of training, provide research, promote professionalism, and improve acquisition workforce management. According to OMB officials FAI is the executive agent of OFPP for purposes of implementing OMB's plan. Office of Federal Procurement Policy Act, Pub. L. 93-400 (1974).

range of obligation amounts and interaction with OMB.⁸ We conducted this audit from November 2009 through April 2010 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Summary

OMB's plan for civilian agencies' acquisition workforce addresses several, but not all, of the matters it was required to address under section 869. While OMB officials acknowledge that the plan does not explicitly address all of the required matters, they believe that it nevertheless provides, for the first time, a governmentwide framework for civilian agencies to conduct agency-specific acquisition workforce planning. For example, section 869 requires that the plan include an examination of the development of a sustainable funding model for the acquisition workforce. While a funding model is not explicitly described in the plan, OMB officials explained that the plan establishes a process that will serve as a component of agencies' annual budget submissions. As such, the plan creates a basis for sustainable funding, provided that agency budget requests are justified by their AHCPs and identified needs are funded. Additionally, the plan was to examine the appropriateness of growing the acquisition workforce by 25 percent over the next 5 years. However, OMB's plan only specifies 5 percent growth for fiscal year 2011. OMB officials informed us that they did not project growth through 2014 because a 5 percent annual growth rate may not be applicable to all agencies based on their governmentwide analysis of acquisition workforce growth in fiscal years 2008 and 2009. They further stated that individual agency growth rates will likely be adjusted based on the data submitted as part of the AHCPs. OMB's plan also does not appear to comprehensively address several additional elements that GAO was directed to review but that OMB was not specifically mandated to include in the plan. For example, there is neither a specific discussion in the plan of the use of contractor personnel to supplement the agencies' acquisition workforce nor a discussion of the full range of laws, regulations, and policies that currently apply to the acquisition workforce. OMB officials explained that many of these issues were analyzed and considered during the development of the plan and its recommendations.

OMB employed a methodology comprised of multiple approaches to develop its plan, which resulted in recommendations and timeframes that the agencies we met with consider feasible to implement. In developing the plan, OMB officials conducted open meetings and focus groups with federal agency acquisition personnel and established working groups of agency officials who provided ongoing input and feedback. Agency officials indicated to us that this involvement was valuable to the planning process as it incorporated agency perspectives and has facilitated their efforts to develop individual AHCPs. As a result, officials from all of the agencies we met with said they expected to submit their AHCPs by the plan's

⁸We selected the following federal agencies: Department of Energy, Department of Homeland Security, National Aeronautics and Space Administration, Department of Veterans Affairs, Department of the Interior, Department of Commerce, General Services Administration, Office of Personnel Management, and the Pension Benefit Guaranty Corporation. Collectively, these agencies accounted for more than 61 percent of civilian agency contract obligations in fiscal year 2009.

March 31, 2010 deadline.⁹ However, in preparing their AHCPs, agency officials noted they have faced challenges in identifying and capturing data on COTRs and P/PMs, which may result in inconsistent data being reported. OMB experienced a similar challenge in developing the plan, which resulted in the plan only providing data on the contract specialist career field—the only field for which data were consistently available from fiscal year 2000 through fiscal year 2008. While OMB is providing guidance to agencies on the preparation and general format of the AHCPs, OMB officials are looking to the agencies to develop AHCPs that best reflect their individual acquisition workforce needs. As AHCPs are developed and reviewed, OMB and the agencies plan to continually refine the acquisition workforce planning process through subsequent years.

We provided a draft of this correspondence to OMB for its review and comment. OMB provided technical comments that we incorporated into the final version. Additionally, the nine agencies we met with were given the opportunity to provide comments on a fact sheet containing information from a draft of this correspondence. Seven of the agencies had no comments on the information in the fact sheets and two agencies provided technical comments that have been incorporated into this correspondence.

Background

The section 869 mandate included in the NDAA 2009¹⁰ specifies that the Associate Administrator for Acquisition Workforce Programs¹¹ shall be responsible for the management, oversight, and administration of the plan with the cooperation and assistance of OFPP and FAI. According to OMB officials, OFPP serves as the program manager and FAI is the executive agent for OFPP in this workforce planning effort. As shown in table 1, the plan identifies the respective roles and responsibilities for OMB/OFPP and FAI in implementing the plan and assisting agencies with the development of their AHCPs.

⁹According to OMB, as of April 19, 2010, the majority of agencies required to submit AHCPs have done so and OMB is working with the remaining agencies regarding their submissions.

¹⁰Pub. L. No 110-417, § 869(b).

¹¹The National Defense Authorization Act for Fiscal Year 2008 states that the Administrator for Federal Procurement Policy shall designate a member of the Senior Executive Service as the Associate Administrator for Acquisition Workforce Programs. National Defense Authorization Act for Fiscal Year 2008, Pub. L. 110-181, § 855(a).

Table 1: Roles and Responsibilities under the Plan

	General roles and responsibilities	AHCP roles and responsibilities
OMB, OFPP	<ul style="list-style-type: none"> • Lead the activities of the Chief Acquisition Officers Council (CAOC), which advises the OFPP Administrator on acquisition workforce issues • Establish qualification requirements for key acquisition positions • Direct the activities of FAI to support development of a professional acquisition workforce 	<ul style="list-style-type: none"> • Issue guidance as necessary to support agency workforce planning • Provide a governance structure for implementing solutions • Review and measure agency progress in meeting capacity and capability growth targets established in the AHCP
FAI	<ul style="list-style-type: none"> • Collect and analyze workforce data and periodically analyze career fields to identify critical skills and knowledge • Evaluate the effectiveness of training and career development programs for acquisition personnel • Facilitate development and assessment of interagency intern and training programs • Facilitate rotational assignments 	<ul style="list-style-type: none"> • Facilitate implementation of strategic human capital initiatives identified in OMB's plan • Collaborate with agencies in developing acquisition workforce recommendations for annual governmentwide human capital initiatives • Assist OFPP with its AHCP roles and responsibilities

Source: OMB.

A primary component of OMB's plan is agency submission of AHCPs beginning with the fiscal year 2012 budget cycle. The first round of AHCPs were due by March 31, 2010, and civilian agencies will submit them annually thereafter as a part of the agency's budget preparation. To ensure the process is coordinated at the highest level at each agency, agency chief acquisition officers are to work with their chief human capital officers, acquisition career managers, and chief financial officers in the development of the AHCPs. They are to make a number of strategic considerations in developing their AHCPs, including previous acquisition program evaluations, the skills and competencies of their current workforce as determined by FAI competency surveys,¹² and strategies to address various workforce needs.

To assist agencies in preparing their AHCPs, OMB also directed FAI to establish and manage a Web portal for workforce planning guidance and best practices for civilian agencies. The portal allows OMB to track issues that agencies raise throughout the process to be able to address them now and over subsequent years. According to OMB and FAI officials, personnel from across the acquisition workforce planning community, including acquisition career managers and human capital officers, use the portal as a dedicated forum to communicate with each other and share their best practices and challenges.

OMB'S Plan Does Not Explicitly Address All Matters Specified In Mandates

OMB's plan for civilian agencies' acquisition workforce addresses several, but not all, of the matters specified in section 869. While OMB officials acknowledge that the plan does not explicitly address all of the required matters, they believe that it nevertheless provides a governmentwide framework for civilian agencies to conduct agency-specific acquisition

¹²FAI's most recent competency surveys were administered from July through October 2008 for civilian agencies in the executive branch.

workforce planning. OMB's plan also does not comprehensively address several additional matters GAO was directed by Congress in section 834 to review but that OMB was not specifically mandated to include in the plan. However, OMB officials explained that many of these issues were considered during the development of their plan and underpin the final plan and its recommendations.

OMB's Plan Does Not Provide a Complete Discussion in Response to Congressional Requirements

OMB officials acknowledge that the October 2009 plan does not explicitly address all six matters it was to include pursuant to section 869. However, they explained that the plan is intended as a framework under which federal agencies can produce agency-specific plans to develop their acquisition workforce. As such, OMB officials told us that while much of what they were mandated by section 869 to include was analyzed and considered in the process of developing the plan and its recommendations, they did not include all of it because they did not believe such information was appropriate in a broader, governmentwide plan. Below is a list of each of the matters outlined in the section 869 mandate and a discussion of the extent to which the plan reflects these matters.

1. **The variety and complexity of acquisitions conducted by each federal agency covered by the plan and the workforce needed to effectively carry out such acquisitions.** OMB's plan does not include individual discussions about each civilian agency's acquisitions and does not specify each agency's workforce needs to address those acquisitions. Instead, the plan presents a general discussion of the variety and complexity of acquisitions conducted by civilian agencies over an 8-year period and general information about the acquisition workforce needed to effectively manage those acquisitions. These analyses were used to identify the mismatch between the increase in acquisition spending and the number of contract specialists across the federal government from 2000 through 2008. The plan also includes a discussion of changes in the profile of the acquisition activity across civilian agencies, all of which provide the basis for the plan's conclusion that agencies must take steps to grow the size and skills of their workforce. To that end, it specifies that in preparing their AHCPs, agencies must consider their challenges and goals and examine agency-specific data about volume, variety, and complexity of their respective acquisition spending. However, according to OMB officials, they decided not to include agency-specific data in the final plan as they determined that a broader discussion of the challenges faced across agencies was more appropriate for a governmentwide plan.
2. **The development of a sustainable funding model to support efforts to hire, retain, and train an acquisition workforce of appropriate size and skill to effectively carry out the acquisition programs of the federal agencies covered by the plan, including an examination of interagency funding methods and a discussion of how the model of the Defense Acquisition Workforce Development**

Fund¹³ could be applied to civilian agencies. OMB's plan outlines an acquisition workforce planning development process that will be aligned with agency budget submissions. OMB officials explained that since the planning process will serve as a component of the agencies' budget preparation, it provides a basis for sustainable funding to address the growth and development needs of the acquisition workforce. They further explained that senior agency officials will now make acquisition workforce planning a priority because it is an explicit part of the budget process. The plan indicates that OMB will evaluate budgetary needs and sustainable funding needs based on information submitted by agencies about strengthening their acquisition workforce. OMB officials explained that, leading up to issuance of the President's Budget, OFPP personnel will work with OMB resource management offices to review those needs and agency plans and progress in addressing them. Through this coordination process, the officials explained, OMB will be able to identify the extent to which agencies are keeping acquisition workforce planning a priority and tailor funding and support according to the information agencies report annually with their budget submissions. Provided that agency budget requests are justified by their AHCPs and discussions with OMB and that these requests are ultimately funded, the plan creates a basis for sustainable funding.

The plan does not include an examination of interagency funding methods or a discussion of the applicability of the Defense Acquisition Workforce Development Fund model to civilian agencies. OMB officials said that they considered the applicability of an interagency fund or fund similar to the Defense Acquisition Workforce Development Fund for the civilian acquisition workforce during its development of the plan. However, they believed that such a funding model would be too difficult to apply across diverse agencies with varied missions and workforce skill sets. This opinion was shared by officials from the agencies we met with. Some agency officials specifically expressed concerns that an interagency fund would require them to contribute scarce dollars to support development of a workforce that may not be tailored to meet the specific, technical skills required at their agency. In contrast, they indicated that through the process set up in the plan they expected to receive ongoing funding support for their efforts to develop the acquisition workforce.

- 3. Any strategic human capital planning necessary to hire, retain, and train an acquisition workforce of appropriate size and skill at each federal agency covered by the plan.** The plan discusses annual strategic workforce planning and the need to coordinate efforts to address recruitment, retention, and training of the acquisition workforce across federal agencies but does not discuss these issues on an agency-by-agency basis. In the plan, OMB notes that prior to this effort, no common planning effort for acquisition workforce needs existed across agencies, with the exception of an annual agency reporting requirement to OPM on the contract specialist occupation. The plan outlines specific roles and responsibilities for various

¹³The Defense Acquisition Workforce Development Fund was established under section 852 of the National Defense Authorization Act for Fiscal Year 2008. It was created to provide funds for the recruitment, training, and retention of acquisition personnel of the Department of Defense from remitted amounts from military departments and defense agencies. National Defense Authorization Act for Fiscal Year 2008, Pub. L. 110-181, § 852.

organizations and officials in this coordinated acquisition workforce effort. According to the plan, acquisition workforce planning will hinge on agency production of AHCPs, which are to consider a number of items, including: the skills and competencies of the current workforce and gap closure strategies to address development needs, attrition rates, or other workforce needs. OMB describes the plan as a 5-year action plan to meet the objective of building an acquisition workforce of appropriate size and skill at each federal agency. OMB officials also noted that they set up Functional Advisory Boards led and staffed by agency representatives to provide input into strategic human capital planning processes both within agencies and governmentwide to help coordinate this workforce development effort.

4. **Methodologies that federal agencies covered by the plan can use to project future acquisition workforce personnel hiring requirements, including an appropriate distribution of such personnel across each category of positions designated as acquisition workforce personnel under section 37(j) of the Office of Federal Procurement Policy Act (41 U.S.C. 433(j)).**¹⁴ OMB's plan does not identify specific methodologies for agencies to employ to project acquisition hiring needs and the distribution of the workforce. The plan states that no simple projection formula can be used to relate the size and composition of an agency's acquisition activity to its ideal workforce size. The plan identifies areas such as the trade-off between the costs associated with hiring personnel and the potential savings that may come from better acquisition management where agencies should look to target improvements of their workforce. OMB officials explained that there is great difficulty in developing a single projection formula that would be applicable across all agencies given differences in their missions, acquisition workforces, types of acquisitions, and existing acquisition processes. These factors affect how an agency is going to develop a target acquisition workforce profile and project its workforce needs. Furthermore, the officials explained, planning and projection methodologies change over time as other factors within the acquisition workforce change. However, the plan stated that FAI would maintain an online toolkit, which would include various projection methodologies, for the agencies to use in conducting their workforce analyses. OMB and FAI officials informed us that the Web portal created by FAI contains several different projection methodologies. Agency personnel can access the portal and determine the most appropriate methodology given their specific acquisitions and workforce.

5. **Government-wide training standards and certification requirements necessary to enhance the mobility and career opportunities of the federal acquisition workforce within the federal agencies covered by the plan.** OMB's plan addresses training and certification issues extensively, including specific discussions on the use of intern programs, refinement of competency focus areas for specific training, and

¹⁴The act states that the Administrator of Federal Procurement Policy shall establish qualification requirements, including education requirements, for the following positions: (1) entry-level positions in the General Schedule Contracting series (GS-1102); (2) senior positions in the General Schedule Contracting series (GS-1102); (3) all positions in the General Schedule Purchasing series (GS-1105); and (4) positions in other General Schedule series in which significant acquisition-related functions are performed. 41 U.S.C. § 433(g).

updating certifications. The plan states that the variety and complexity of civilian agency acquisitions, results of recent competency surveys, and consultations with civilian agency officials led to the identification of three areas to target improved workforce capability: (1) expanding the use of intern programs, (2) improving the federal acquisition certification programs, and (3) targeting training to workforce needs.

The plan identifies four agencies that employ intern programs for acquisition personnel and describes efforts by OMB to communicate best practices from these agencies and to develop a governmentwide intern program which, among other things, provides for rotational opportunities for enrollees. We spoke with officials from the four agencies identified in the plan and all indicated that their intern programs are a centerpiece to their recruitment and retention efforts.

The plan also states that OMB and FAI are charged with making appropriate changes to training and curricula and updating certification programs based on advice received from interagency working groups. The plan notes that governmentwide certification programs need to be updated to reflect current needs and priorities in the acquisition workforce. Over the plan's implementation period, OMB and FAI plan to refine the curriculum for the contracting officer, contract specialist, COTR, and P/PM certifications. Specifically, they will work with federal training providers to develop formal training opportunities that address competency needs for individuals working as contracting officers, contract specialists, COTRs and P/PMs. For example, over the next 2 years, the plan states that FAI will offer additional learning seminars, on-line courses, and other performance support tools to promote learning and performance. The plan also identifies the use of high-level, interagency working groups to identify training curriculum needs and competency areas for better targeted training, such as cost/price analysis. According to OMB officials, these groups are working on developing training that specifically addresses competency gaps in the acquisition workforce and are also targeting recruitment efforts to certain demographics, such as mid-career hires.

6. **If the Associate Administrator recommends as part of the plan a growth in the acquisition workforce of the federal agencies covered by the plan below 25 percent over the next 5 years, an examination of each of the matters specified in paragraphs (1) through (5) in the context of a 5-year plan that increases the size of such an acquisition workforce by not less than 25 percent, or an explanation why such a level of growth would not be in the best interest of the federal government.** OMB's plan does not specifically address growth of 25 percent—either supporting it or justifying why it is not necessary. OMB conducted extensive data analyses that led to a conclusion that growth in the acquisition workforce of at least 5 percent was appropriate across federal civilian agencies. However, the plan does not specify a time frame for that 5 percent growth. OMB officials told us that the 5 percent growth discussed in the plan is for fiscal year 2011. They explained that they did not project a growth factor over the next 5 years based on their governmentwide analysis of acquisition workforce growth in fiscal years 2008 and 2009. They also noted that the factor needs to remain flexible and would likely be adjusted based on the AHCPs. They conducted data analyses at each individual agency and across the government to determine that 5 percent growth for

fiscal year 2011 was a good starting point and was realistic given the need for agencies to integrate new personnel into the workforce, rather than just adding them into the workforce. Agencies with whom we spoke are basing the analysis in their AHCPs on a 5 percent growth factor for fiscal year 2011. As with OMB, agency officials expressed uncertainty as to what the growth factor would be in future years but that it would be determined through their planning processes.

OMB's Plan Does Not Comprehensively Address All Additional Elements GAO Was Mandated to Review, but OMB Officials Said They Considered These Issues

OMB's plan does not appear to comprehensively address several of the additional matters that GAO was mandated to review but that OMB was not specifically mandated to include in the plan. While OMB officials said they considered these matters during the development of the plan and its recommendations, they are not fully discussed in the plan itself and we could not verify the extent to which OMB did consider them in development of the plan. Below is a list of each of the matters and a discussion of the extent to which the plan considered each of them.

1. **The extent to which the Acquisition Workforce Development Strategic Plan addresses previously identified shortcomings in the acquisition workforce and prior efforts by agencies to develop acquisition workforce plans, including strategies used to identify and hire acquisition personnel.** The plan discusses many previously identified shortcomings in the acquisition workforce from prior organizations' reports. Specifically, it cites findings from FAI's 2008 Annual Report and Acquisition Workforce Competency Survey, which identifies competency weaknesses across the acquisition workforce and lack of ability to complete work. For instance, FAI reported that the acquisition workforce spends less time on important acquisition processes such as requirements development, market research, and contract administration. FAI also found that over half of the acquisition workforce will be eligible to retire between now and fiscal year 2018, creating a critical need to develop expertise to replace personnel that choose to retire. The plan also refers to GAO and Merit Systems Protection Board (MSPB) reports that found that better workforce planning is needed to improve acquisition. It cited several studies indicating that training, recruitment, and retention of the workforce managers remains a low priority. The plan refers specifically to the Services Acquisition Reform Act (SARA) Acquisition Advisory Panel and the MSPB report on COTRs to identify the common shortcomings and prior efforts. Several common themes emerged from the MSPB review, including concerns about entry-level hiring, funding, and training and certification standards for COTRs.

OMB's plan, however, does not identify specific prior efforts by agencies to develop acquisition workforce plans. It only notes the fact that agencies have to submit annual reports to OPM on the contract specialist series and that agency Chief Administrative Officers have workforce planning responsibilities, but those efforts have been largely unstructured and uncoordinated. OMB officials told us that they also interviewed agency officials about prior assessments of their acquisition workforces and took the shortcomings that they identified into consideration when developing the plan. They explained that they looked at government acquisition shortcomings in general, not just the shortcomings of the workforce, from reports

published by the Acquisition Advisory Council, MSPB, and GAO. According to OMB officials, they believe there is a clear link from past efforts and lessons learned that informed the plan even though specific efforts are not mentioned specifically in the plan.

2. **The extent to which the Acquisition Workforce Development Strategic Plan considered the use by agencies of contractor personnel to supplement the acquisition workforce.**¹⁵ Except for a short acknowledgment that agencies use contractors to address shortages in their acquisition workforce and how this may diminish an agency's core acquisition capability, the plan does not otherwise mention the role or impact of contractors supplementing the government acquisition workforce. According to OMB officials, they considered agencies' use of contractor personnel when they looked at acquisitions' shortcomings in general, including the issue of whether contractors are performing "inherently governmental"¹⁶ functions and agencies' over-reliance on contractors. However, for purposes of this plan, the officials explained that they focused on federal employees, rather than addressing contractors as part of the acquisition workforce.

While the plan does not address contractors supplementing the acquisition workforce, OMB officials noted that there are a number of other administration initiatives related to the role of contractors. For example, in July 2009, OMB issued Policy Letter M-09-26 regarding the management of the multisector workforce, which includes government employees and contractors. The letter directed the agencies to conduct a pilot human capital analysis of at least one program to identify, among other matters, the optimal mix of government employees and contractors in their workforce. According to OMB, seven agencies chose to conduct the pilot on their acquisition workforce and as part of that effort, are examining the role of contractors in supporting the acquisition function.

3. **Whether the Acquisition Workforce Development Strategic Plan considered the full range of laws, regulations, and policies that currently apply to the acquisition workforce.** While many of the laws, regulations, and policies that apply to the acquisition workforce were not mentioned in the plan, OMB officials said they had knowledge of and considered the full range of laws, regulations, and policies that apply to the acquisition workforce during the plan's development. They explained that it would have been impossible to develop an actionable and legal plan without consideration of all laws, regulations, and policies that apply to the acquisition workforce, but they determined it was not useful to describe how those laws,

¹⁵Our prior work has found that agencies should develop acquisition workforce strategies that include contractors who are supporting agencies' acquisition functions. See GAO, *Department of Homeland Security: A Strategic Approach Is Needed to Better Ensure the Acquisition Workforce Can Meet Mission Needs*, GAO-09-30 (Washington, D.C.: Nov. 19, 2008) and GAO, *Department of Defense: Additional Actions and Data Are Needed to Effectively Manage and Oversee DOD's Acquisition Workforce*, GAO-09-342 (Washington, D.C.: Mar. 5, 2009).

¹⁶OFPP published Policy Letter 93-1 to assist executive branch officers and employees to avoid an unacceptable transfer of official responsibility to government contractors because not all functions may be performed by a contractor. An "inherently governmental" function is a function that is so intimately related to the public interest as to mandate performance by government employees. OFPP Policy Letter 93-1, Para. 7, Management Oversight of Service Contracts (May 18, 1994).

regulations, and policies are applicable in the plan. For instance, the plan cites recent OMB policy letters on government contracting and the acquisition workforce, including OMB M-09-25 and M-09-26, and states that the agencies should consider these policies as they develop their individual plans. The plan discusses the OFPP Policy Letter 05-01 and the *Acquisition Career Manager Guidebook* in regard to expanding and streamlining the responsibilities and authorities of each agency's acquisition career manager, given their role in developing the acquisition workforce.

OMB officials told us that other laws that were not cited by name were considered as the plan was developed. For example, OMB officials explained that they had to consider the Federal Acquisition Reform Act, which identifies a number of general requirements that agencies must consider with respect to managing their acquisition workforce personnel. Similarly, OMB officials said they considered the Federal Acquisition Streamlining Act and SARA, both of which affect how federal acquisition personnel conduct their work.

4. **The extent to which the Acquisition Workforce Development Strategic Plan considered the specific training and retention tools (whether located within or outside an agency) used to professionally develop and retain acquisition personnel, including the following:**
 - a. **The Defense Acquisition University;**¹⁷
 - b. **The Federal Acquisition Institute;**
 - c. **Continuing education and professional development opportunities available to acquisition professionals;**
 - d. **Opportunities to pursue higher education available to acquisition personnel, including scholarships and student loan forgiveness.** The plan addresses training and retention tools extensively, including a discussion of expanding the use of intern programs, improving federal acquisition certification programs, and targeting training to workforce needs. The plan states that intern programs can be an effective recruitment tool and identifies four civilian agencies' successful use of intern programs as a recruitment and retention tool. Our discussions with officials at these agencies verified that internship programming was a focus of their acquisition workforce development efforts. The plan also mentions the Department of the Interior's governmentwide intern program in which all agencies may participate. That program currently has participants from four agencies outside of Interior. The plan states that other agencies can leverage the experiences from these programs to facilitate better programming and interagency relationships, including focusing training and development programs not only on entry-level personnel but also tailoring them to meet the needs of mid-career hires and senior-level acquisition personnel.

The plan states that FAI has a partnership with the Defense Acquisition University (DAU) and will collaborate with that organization to leverage resources and provide

¹⁷The Defense Acquisition University was established to provide for the professional educational development and training of the Department of Defense acquisition workforce. National Defense Authorization Act for Fiscal Year 1991, Pub. L. 101-510, § 1767 (1990).

training for the acquisition workforce. The plan identifies the need to bring civilian training up to the same standard as DOD training and OMB officials specifically pointed to the need to strengthen COTR training and certification standards as part of this effort. The plan states that, working with DAU, FAI will expand courses to address areas identified as competency gaps, such as requirements definition and negotiations. It also focuses on the need to increase FAI training for acquisition personnel, including positions other than just contracting specialists. OMB utilized existing infrastructure, including the working advisory boards and the Chief Acquisition Officer's Council to inform the section of the plan on training and certifications.

OMB's plan does not include a discussion of opportunities for acquisition personnel to pursue higher education or incentives for those individuals to pursue such opportunities.

Despite Data Challenges, OMB and Civilian Agencies Are Working Together to Implement the Plan's Recommendations

The methodology OMB employed to develop its plan resulted in recommendations and time frames that the agencies we met with consider feasible to implement. The methodology consisted of multiple approaches, including a review of relevant literature, data analyses and meetings with civilian agency personnel. Both the civilian agency officials and OMB officials with whom we met noted that COTRs and P/PMs occupy numerous occupational series within the federal workforce. Because the positions are not specifically coded as "acquisition" positions in civilian agency workforce databases, officials face challenges in identifying them for acquisition workforce reporting purposes. While OMB is providing guidance to agencies on the preparation and general format of the AHCPs, OMB officials are looking to the agencies to develop AHCPs that best reflect their individual acquisition workforce needs. Officials from the agencies and OMB both noted that as AHCPs are developed and reviewed they will continually refine the acquisition workforce planning process for subsequent years.

OMB Employed a Multipronged Methodology

Specifically, OMB officials told us that they undertook a methodology comprised of four approaches to develop the plan and its recommendations.

- *Literature review.* OMB officials reviewed various commissioned studies, GAO reports, MSPB reports, and independent analyses to collect general knowledge and identify common themes across federal agencies. For example, the plan cites prior studies that indicate the need for better workforce planning as federal agencies lack processes to support strategic human capital planning for their acquisition workforce. They also conducted interviews with the authors of various academic, government, and private sector studies to garner a deeper understanding of the authors' findings.
- *Original data analysis.* For the data analyses underpinning the plan and its recommendations, OMB officials said they relied on data primarily from the Federal

Procurement Data System-Next Generation (FPDS-NG)¹⁸ to conduct analyses of various contract matters, such as spending amounts by contract type and by contracting officer at each agency. Even though OMB relied on FPDS-NG, officials acknowledged that the data from that system have limitations.

- *Secondary data analysis.* Additionally, OMB officials relied on statistical planning analyses conducted by the Bureau of Labor Statistics to identify acquisition workforce trends and projections of future workforce needs. Similarly, OMB officials said they received civilian personnel data from OPM on the demographics of the contract officer/specialist career field at each agency. The officials said they also used data and findings provided in FAI's competency surveys, which brought a great deal of breadth and depth to their analysis because they could look, for the first time, at what people in the acquisition workforce are actually spending their time doing. They noted that these analyses underpinned OMB's determination of how much workforce growth was needed across agencies.
- *Meetings with agency officials.* According to OMB officials, one of the biggest contributors to their methodology was the use of working groups comprised of personnel from various civilian agencies. These groups were set up to promote engagement among the various officials needed in the planning effort and to focus on specific issues within the acquisition workforce, such as the role of COTRs and how to facilitate an interagency internship program. Additionally, OMB officials explained that they conducted individual interviews with civilian agency acquisition personnel about their acquisition planning.

OMB's methodology relied on a definition of acquisition workforce that included contract specialists, COTRs, and P/PMs. OMB collected civilian personnel data from OPM to identify the number of contract specialists in the acquisition workforce. These data were easily accessible because contract specialists are a specified federal career field. However, COTR and P/PM designations are not specified career fields and do not have a governmentwide identifying factor like a contract warrant, so they are not separately tracked in databases. As a result, the plan only presents an analysis of trends for contract specialists as opposed to the entire civilian agency acquisition workforce. OMB officials told us they are relying on agencies to identify COTRs and P/PMs and account for them in their AHCPs. Civilian agency officials did note that it was helpful that OMB provided a template and associated guidance to them to clarify what data OMB wanted them to submit for their AHCPs.

Recommendations and Time frames Developed under OMB's Plan Viewed as Feasible by Implementing Agencies

Officials at the federal civilian agencies we spoke with stated that the recommendations and time frames in OMB's plan are feasible and that they are likely to submit their AHCPs to OMB by the March 31, 2010, deadline. Many civilian agency officials with whom we met

¹⁸FPDS-NG is a data system where federal agencies report contracts whose estimated value is \$3,000 or more. Every modification to those contracts, regardless of dollar value, is reported to FPDS-NG. It provides information on government contracting actions, procurement trends, and achievement of socioeconomic goals, such as small business participation.

stated that it would have been helpful to have more time to prepare their plans, particularly to gather and refine data on COTRs and P/PMs for inclusion in their plans. Most agencies felt that the plan was a good first attempt at increasing the acquisition workforce and that OMB has been supportive to agencies that needed assistance in their planning efforts and in developing AHCPs. In previous years, agencies requested additional funding to support growth in their acquisition workforce, but that funding was not subsequently approved. As a result, one concern some agencies had with this initiative was corresponding budgetary support. However, OMB officials believe that agencies are optimistic about this current effort because the administration specifically included funding in the President's fiscal year 2011 budget request to support the development of the acquisition workforce.

Most of the officials at the civilian agencies we talked to stated that one of the biggest challenges in developing their plans was determining who to include in their acquisition workforce, given the broad definition provided by OMB in its plan. For example, one agency was unsure about whether to include individuals that hold purchase cards since those individuals have acquisition authority but do not have contract warrants. Alternatively, some agencies are including a wide variety of career fields in their workforce numbers beyond just those identified by OMB in its plan, such as system engineers and logisticians in the case of one agency. Additionally, several, but not all, agencies expressed familiarity with the same challenge OMB had with capturing the COTR and P/PM designations in their workforce data. Agency officials stated that they do not have a specific identifying factor for people serving as COTRs or P/PMs and that COTRs, in particular, often serve in that role as a collateral or other duty in addition to their primary responsibilities. These variances across agency interpretations will likely translate into data inconsistencies across agency AHCPs.

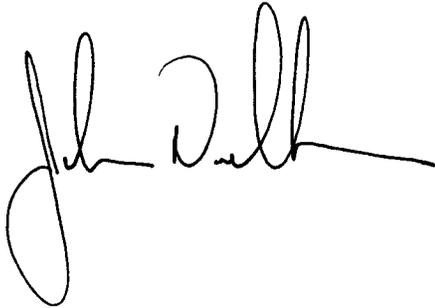
OMB is aware of the challenges agencies are facing with regard to identifying and capturing data on their entire acquisition workforce. OMB officials explained that they expect to continue working with agencies through established workshops and information sharing to help clarify some of these issues, especially through use of FAI's Web portal. These discussions will continue after agencies submit their AHCPs, but OMB officials believe that the point at which agencies submit their first AHCPs will serve as a good opportunity to assess the effects of data challenges and how to move forward to effectively address them.

Concluding Observations

While OMB's plan does not address all statutory matters, it nevertheless has initiated a process that provides an opportunity to increase the capacity and capability of the civilian agencies' acquisition workforce. As agencies submit their AHCPs and they are reviewed by OMB to inform budgetary decisions, issues such as defining and obtaining data on the entire acquisition workforce, which includes contractors who support acquisition functions, will become increasingly important and may warrant clarification. Additionally, through subsequent years, the results of the process established in OMB's plan will become evident, including how well it identifies gaps and responds to critical needs in the civilian acquisition workforce and the sustainability of funding for the effort. The ability of OMB and the agencies to address issues that need refinement and ultimately achieve the intended outcomes of the plan will depend on their sustained collaboration and commitment to developing the acquisition workforce.

We are sending copies of this report to the Directors of OMB and OPM; the Secretaries of Energy, the Interior, Homeland Security, Commerce, and Veterans Affairs; the Administrators of the General Services Administration and NASA; the Director of the Pension Benefit Guaranty Corporation; the Chair of the Small Agency Council; and interested congressional committees. In addition, the report will be available at no charge on GAO's Web site at <http://www.gao.gov>.

If you or your staff have any questions concerning this report, please contact me at (202)-512-4841. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. Key contributors to this report include Johana R. Ayers, Assistant Director; Brendan Culley; Morgan Delaney Ramaker; John Krump; Kenneth Patton; and Desirée Thorp.

A handwritten signature in black ink, appearing to read "John K. Needham". The signature is fluid and cursive, with a long horizontal stroke at the end.

John K. Needham
Director, Acquisition and Sourcing Management

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APPENDIX I: Matters Specified in OMB Acquisition Workforce Plan Mandates for OMB and GAO

Duncan Hunter National Defense Authorization Act for Fiscal Year 2009 Pub. L. No 110-417, § 869 (c) (2008)

The Acquisition Workforce Development Strategic Plan shall include, at a minimum, an examination of the following matters:

- (1) The variety and complexity of acquisitions conducted by each federal agency covered by the plan and the workforce needed to effectively carry out such acquisitions.
- (2) The development of a sustainable funding model to support efforts to hire, retain, and train an acquisition workforce of appropriate size and skill to effectively carry out the acquisition programs of the federal agencies covered by the plan, including an examination of interagency funding methods and a discussion of how the model of the Defense Acquisition Workforce Development Fund could be applied to civilian agencies.
- (3) Any strategic human capital planning necessary to hire, retain and train an acquisition workforce of appropriate size and skill at each federal agency covered by the plan.
- (4) Methodologies that federal agencies covered by the plan can use to project future acquisition workforce personnel hiring requirements, including an appropriate distribution of such personnel across each category of positions designated as acquisition workforce personnel under section 37(j) of the Office of Federal Procurement Policy Act (41 U.S.C. 433(j)).
- (5) Government-wide training standards and certification requirements necessary to enhance the mobility and career opportunities of the federal acquisition workforce within the federal agencies covered by the plan.
- (6) If the Associate Administrator recommends as part of the plan a growth in the acquisition workforce of the federal agencies covered by the plan below 25 percent over the next 5 years, an examination of each of the matters specified in paragraphs (1) through (5) in the context of a 5-year plan that increases the size of such an acquisition workforce by not less than 25 percent, or an explanation why such a level of growth would not be in the best interest of the federal government.

National Defense Authorization Act for Fiscal Year 2010, Pub. L. 111-84 § 834 (b) (2009)

The Comptroller General of the United States shall submit a report on the plan and shall include assessments of the following:

- (1) The methodologies used to formulate the Acquisition Workforce Development Strategic Plan and its recommendations.
- (2) The extent to which the Acquisition Workforce Development Strategic Plan addresses previously identified shortcomings in the acquisition workforce and prior efforts by agencies to develop acquisition workforce plans, including strategies used to identify and hire acquisition personnel.
- (3) The feasibility of the Acquisition Workforce Development Strategic Plan's recommendations and associated time frames for implementation, particularly as they relate to the development of a sustainable funding model and the applicability of the Defense Acquisition Workforce Development Fund model to civilian agencies.
- (4) The extent to which the Acquisition Workforce Development Strategic Plan considered the use by agencies of contractor personnel to supplement the acquisition workforce.
- (5) Whether the Acquisition Workforce Development Strategic Plan considered the full range of laws, regulations, and policies that currently apply to the acquisition workforce.
- (6) The extent to which the Acquisition Workforce Development Strategic Plan considered the specific training and retention tools (whether located within or outside an agency) used to professionally develop and retain acquisition personnel, including the following:
 - a. The Defense Acquisition University;
 - b. The Federal Acquisition Institute;
 - c. Continuing education and professional development opportunities available to acquisition professionals;
 - d. Opportunities to pursue higher education available to acquisition personnel, including scholarships and student loan forgiveness.
- (7) Such other matters, findings, and recommendations as the Comptroller General considers appropriate.

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