

To: Acquisition Advisory Panel
Workforce Working Group
From: Robert M. Cooper
Subject: Turbulence in Workforce
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A “stealth” issue in this area is the extent of turbulence in the acquisition workforce. This may be difficult to identify with precision in terms of both extent and impact, but as a general phenomenon deserves consideration. It ranges from within government both civilian and military, to the increased reliance on outsourcing, which in smaller organizations may be direct. The context is excessive downsizing in the Nineties (see Federal Workforce Restructuring Act of 1994) done without adequate study/analysis and widely viewed as a mistake. The situation on the government side is compounded by long looming human capital drain due to retirement eligibilities within the next five years (see www.gao.gov).

- 1 Some organizations that previously relied on full-time procurement organizations have created their own procurement shops within their organizations, which may or may not be fully compliant with government-wide 1102 standards. In the late Eighties this was the case with DARPA, and more recently with Washington Hq. Services (WHS) in DoD.
- 2 Some procurement organizations may be affected indirectly by the series of BRAC reorganizations, most recently including those in the Army and WHS. (see Post Business 8/29/5)
- 3 The creation of the new FERS government retirement system in the late Eighties explicitly included the feature of “portability”, a potentially destabilizing trend.
- 4 FAR Part 7.5 (48 CFR 1) delineates specific examples of functions that are not considered inherently governmental, including a group of at least five acquisition functions: performance evaluation, acquisition planning, contract management assistance, technical proposal evaluations, and developing statements of work. This feeds into increased outsourcing due to diminished staffing levels resulting from drastic downsizing in the government. However, the private sector is a dramatically less stable workforce than the government with widespread job hopping and continual mergers on a wide scale, with dilution of corporate memory and organizational loyalty. It is also preoccupied with seeking new business, which may or may not be the task of a dedicated division,

- 5 A further element of turbulence is the recent legislative proposal to raise the Purchase Card threshold to \$250,000 in response to the Hurricane Disasters (following a prior increase in response to Contingency Operations -see SARA Sec. 1443) despite several scandals at the modest initial threshold and the frequent lack of adequate training. Anticipating problems, Sen. Susan Collins (R-ME), Chair of the Government Affairs Committee, introduced a bill on 9/15/5 to expand the jurisdiction of the Special IG for Iraq Reconstruction to oversee recovery efforts in the Gulf Coast Region with a budget approaching \$100 Billion. Contracts for storm work have raised questions regarding lack of bidding, waste/fraud risk, and political favoritism (NYT 9/26/5) The SES Principal Advisor Responsible for Contracting (PARC) at the Army Corps of Engineers (Ms. B. Greenhouse) recently lost her position in August 2005 after testifying to Congress regarding allegedly improper sole source Iraq contracting, an event certain to have a chilling effect on the workforce.
- 6 Continuing evidence of contract administration/management problems stemming from contract staffing/training shortfalls has been seen in front-page articles in the Post regarding problems in the TSA (5/22/5) and FEMA (9/17/5). Civilian contractors in Iraq now number approximately 100,000 (security, reconstruction, support) (Washington Times 7/6/5) who are operating in a “legal limbo”. See also “Corporate Warriors: The Rise of the Privatized Military Industry” by P. Singer (Cornell Press, 2003) with support from Harvard and Brookings.
- 7 The turbulence in competence levels stemming inadequacy of training was reflected in the the Dept. of Treasury’s need to establish their own internal Acquisition Training Institute several years ago. It remains to be seen how much the SARA Sec. 1412 Fund will turn out to be against GAO’s policy of keeping GWAC Fees to a minimum, and the extent to which OFPP’s new Policy Letter 05-01 is fully implemented. The cost of commercial training is expensive (e.g. see ESI Catalog 6/’5 at www.esi-intl.com listing a 2-day course on Commercial Contracting at \$1,295/person.
- 8 In the early Nineties Sen. Roth included in one of the annual DOD funding bills a provision requiring Military Program Managers to complete a several-month course at the Defense Systems Management College (DSMC) and remain in their job for a minimum of four years, to minimize management turbulence on major systems. There is probably GAO review on the extent of compliance with this requirement, but whatever it was the need to address turbulence in procurement-related management was acute enough to warrant Congressional action.

- 9 The “experiment” at FAA releasing them from compliance with major acquisition laws and regulations has proven to be a failure. Their IG has testified to Congress that FAA contracts have “cost growth, schedule delays, and performance shortfalls and are characterized by a lack of clarity and controls” (see the FCR 8/23/5, p. 189). There are numerous articles noting the difficulty of the workforce to absorb continuing reforms. Every year in DoD’s annual funding legislation are numerous procurement provisions subsequently translated into regulatory language. Since FASA (1994), Clinger-Cohen (1996), and ITMRA (1996) there has been SARA (2003), and ASIA (Acquisition Service Improvement Act) from the House Government Reform Committee is pending. Just 8 years since the major rewrite of FAR Part 15, there have been approximately 50 Federal Acquisition Circulars (FACs) averaging ten changes per Circular. Altogether, there have been over 150 FACs since the FAR was first effective in April 1984. The fact that they are now published electronically only leads to many of the downsized, overworked, lesser experienced, continually scrutinized workforce being confused faster.
- 10 The elimination of OPM’s PACE federal entrance exam several years ago as a result of discrimination litigation has been a recruiting handicap for validating fully qualified civil service job candidates. The plethora of college courses and grading systems was one of the drivers for NCMA to re-engineer their Certification Program in an effort to establish a qualification standard for the profession. Current efforts at pay-system reform are controversial and indeterminate (Post Federal Diary 9/28/5). What data is available for the current status of the Acquisition Corps established by DAWIA in terms of both numbers and competency levels? See also Post Editorial 8/31/5 “Getting the Federal Workers We Need” by a Harvard Professor and an IBM VP. Reorganizations are a source of further turbulence (Federal Diary 8/5/5).
- 11 Political turbulence from corruption, conviction or arrest, and resignation at the top has serious impact on morale. Recent examples are the top Acquisition Official in the Air Force, Darleen Druyun (Federal Times 10/11/4), and the top Acquisition Policy Official in the Government, David Safavian (Post 9/20/5). For coverage of pending procurement ethics legislation see Government Executive Briefing 8/18/5. All this in a spending environment of over \$One Billion/day.

