The background of the page is an aerial photograph of a military aircraft, possibly a B-52 bomber, flying over a landscape. The landscape is a mix of green fields and brown, tilled earth. A semi-transparent map of the United States is overlaid on the top left portion of the image. The title text is white and semi-transparent, allowing the background to be seen through it.

The Big Picture on the Defense Acquisition Workforce Development Fund

Frank J. Anderson Jr.

Senator Carl Levin, chairman of the Senate Committee on Armed Services, made the following statement just prior to voting on passage of the Senate version of the National Defense Authorization Act (NDAA) for fiscal year 2008: "Senior DoD officials have recognized the deficiencies in the defense acquisition workforce, but they have been unable to obtain significant funds that are needed to remedy the problem. ... Our bill will address this issue by establishing an acquisition workforce development fund to enable the Department of Defense to increase the size and quality of its acquisition workforce."

The secretary of defense and Department of Defense senior leaders are actively involved in shaping initiatives to improve the capability and capacity of the defense acquisition workforce. The defense acquisition workforce is critical for improving acquisition outcomes for the nation's \$1.6 trillion investment in acquisition systems and services. The new Defense Acquisition Workforce Development Fund (DAWDF) is a key enabler for revitalizing the workforce. The fund was made possible by Congress, and funding is contributed by DoD components. DoD is deploying the DAWDF now to increase and improve recruiting, hiring, training, development, and retention—all key ingredients to restoring the acquisition workforce.

The DAWDF is a vital enabler in responding to several significant workforce challenges. Downsizing of acquisition organizations in the 1990s was followed by a dramatic increase in workload

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beginning in 2001. Those factors have strained the current 126,000-member acquisition workforce and increased the risk that DoD will be unable to achieve its desired acquisition outcomes. In 2001, the Defense Department spent \$138 billion on contracts; and in 2008, spending reached \$396 billion—of which \$202 billion was for services. During this period, dollars spent on contracting actions over \$25,000 doubled, while the defense acquisition workforce (civilian and military) remained relatively flat in size. While addressing this dramatic increase in workload, DoD has also been dealing with the dynamics of an aging workforce. Also, there was a significant increase in use of contractor support personnel during this period. Today, the Baby Boomer generation represents 73 percent of the acquisition workforce. Eighteen percent of the acquisition workforce is fully eligible for retirement now, and another 20 percent will become fully eligible during the next five years.

The Defense Acquisition Workforce Development Fund

The DAWDF was enacted through Section 852 of the NDAA for fiscal year 2008 and was codified as 10 U.S.C. 1705, which is part of the Defense Acquisition Workforce Improvement Act (DAWIA). Section 852 states, "The Secretary of Defense shall establish a fund to be known as the 'Department of Defense Acquisition Workforce Fund' ... to provide funds, in addition to other funds that may be available, for the recruitment, training, and retention of acquisition personnel of the Department of Defense." The DAWDF established dedicated funding for workforce initiatives requested by the department's senior leaders, required by the Congress, and identified by previous acquisition improvement reports. The fund enables DoD to reset and address long-standing acquisition workforce shortfalls. The purpose of the fund is very clear: To better prepare the acquisition workforce to successfully execute the acquisition mission and improve acquisition outcomes. FY08 NDAA states: "... ensure the Department of Defense has the capacity in both personnel and skills needed to perform its mission, provide appropriate oversight of contractor performance, and ensure that the Department receives best value for expenditure of public resources." FY08 NDAA was enacted on Jan. 28, 2008, and actions were initiated immediately to successfully deploy the fund.

Initial actions created a methodical, deliberate, and collaborative approach with the military departments and defense agencies (collectively, the components) in setting up

the fund. That was challenging because the force planning construct and priorities are very different between the components. This collaborative foundation was critical for successfully shaping workforce plans and the prioritization process. The process starts by collecting and transferring funds from the components into the DAWDF. Credits to the fund are made on a quarterly basis. The statutory requirement mandates collecting funds equal to a percentage expended quarterly for contracted services, excluding services for research and development, and construction. In fiscal year 2008, the annual percentage was 0.5 percent; in fiscal year 2009, the percentage is 1 percent; in fiscal year 2010, the percentage is 1.5 percent; and for fiscal years 2011 and beyond, the percentage is 2 percent. The statute provides that the secretary of defense may reduce the amount to prescribed minimum levels, if appropriate.

Establishing the DAWDF Governance Structure

A comprehensive and collaborative enterprise process to implement the DAWDF was established with the components, DoD acquisition functional leaders, the DoD comptroller, and the under secretary of defense for personnel and readiness. It was a major teaming effort. The under secretary of defense for acquisition, technology and logistics and the DAWDF team have worked to develop the administrative and operational structure of the fund. The fund's start-up and the time required for the initial release of funds to the components evolved slowly, but were driven by the overarching objective to

Section 852 Fiscal Year 2008 Hiring Plan

Career Field	Interns	Journeyman	HQEs	Total
Auditing	300	-	-	300
Business, Cost Estimating, and Financial Management	72	32	-	104
Contracting	550	98	-	648
Facilities Engineering	15	-	-	15
Industrial/Contract Property Management	27	-	-	27
Information Technology	3	4	-	7
Life Cycle Logistics	48	15	-	63
Production, Quality, and Manufacturing	129	43	-	172
Program Management	55	15	1	71
Systems Planning, Research, Development, and Engineering	164	107	-	271
Test & Evaluation	1	46	-	47
Other	59	-	56	115
Total	1,423	360	57	1,840

establish a process that provided transparency and accountability, and that would ensure the responsible distribution of funds. There were critical administrative actions involved with building the fund's crediting and allocation processes; and in establishing tracking, oversight, and management control procedures. Procedures were also established for the vetting process to prioritize and ensure the right acquisition workforce initiatives were funded. As one can imagine, this was challenging, and it took time.

A key driver was the magnitude of effort required to build the fund approval structure and develop the initial workforce priorities and areas of need. DoD aligned DAWDF-funded initiatives into three major categories, which are consistent with the Section 852 language: recruit and hire, develop and train, and recognize and retain.

Roles and responsibilities were established to ensure proper management of the fund. A fund charter and a senior steering board were established by DoD's acquisition leadership. The senior acquisition executives for the military departments, DoD functional leaders, and heads of major DoD agencies were designated as members of the DAWDF steering board. Also included are representatives from the Office of the Under Secretary of Defense, Comptroller; and the Office of the Under Secretary of Defense for Personnel and Readiness. Representatives of the principals comprise the DAWDF working group.

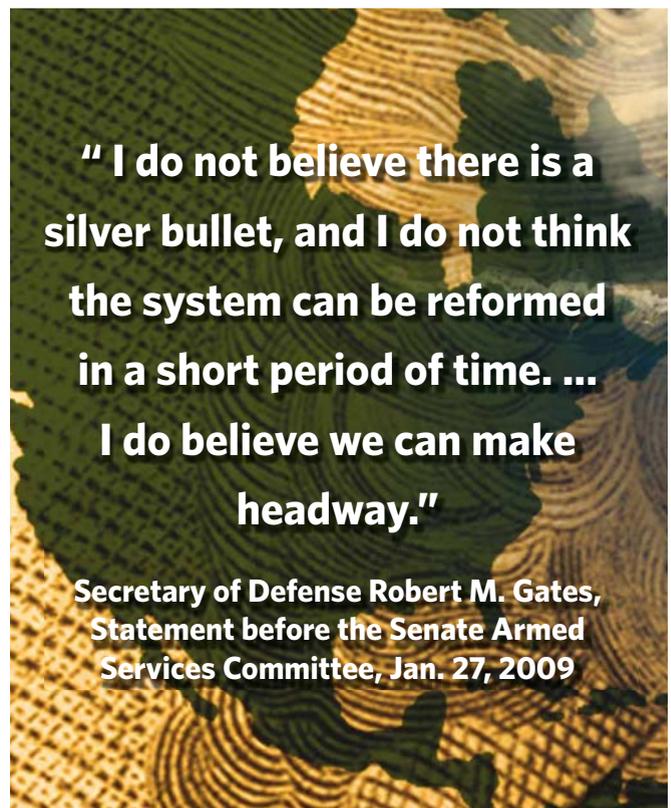
The DAWDF Fund Request Process

How does a DoD component obtain DAWDF funding? The DAWDF working group is the conduit for all funding requests. The working group members serve as a first line of review, interfacing with their respective acquisition commu-

nities and providing analysis of the initiatives to determine the best uses of the fund. The working group ensures that funding requests, where practical, maximize and leverage other component initiatives. During fiscal year 2008, plans were not approved until the end of fiscal year. Proposals were reviewed, prioritized, and approved by the chair of the DAWDF senior steering board. The fund planning cycle has changed during fiscal year 2009, and now starts in the May-June timeframe, preceding the start of fiscal year 2010. This will facilitate annual execution by ensuring funding is allocated and available at the beginning of each fiscal year. After the end of each fiscal year, an annual report to Congress is submitted to document what was spent, how the funds were applied, and what improvements in the defense acquisition workforce were achieved. One unique aspect of the fund is that transferred funds are available for use across three fiscal years. That means funds collected in fiscal year 2008 can be used in fiscal years 2008, 2009, and 2010.

Rebuilding the Defense Acquisition Workforce

To mitigate the impact of past downsizing, the aging workforce, workforce turnover, and increased workload, the fiscal year 2008 workforce initiatives were focused primarily on recruiting and hiring. The funding level for fiscal year 2008 was set at \$253,740,000, and the funds allowed DoD to take initial steps to ensure workforce growth. Between January and March 2008, the components defined recommended workforce initiatives linked to their workforce needs and strategies. Continuous dialog was maintained through joint working group meetings as component acquisition executives prioritized their workforce initiatives.



The fund provides for increased training capacity to address current unmet and documented certification training shortfalls, and to expand training to meet new and evolving training needs—both which will enable partnership expansions with other academic institutions and training organizations. The fund will also be used to expand and target workforce incentives to retain critical expertise.

While significant progress is being achieved, the workforce improvement journey is just starting. The fiscal year 2008 funded initiatives are documented in three major categories that are further subdivided into eleven line items as follows:

Recruit and Hire (\$153,756,000)

1. Intern programs
2. Recruiting incentives
3. Outreach programs
4. Journeyman hiring
5. Hiring expert knowledge (highly qualified experts, or HQEs).

Train and Develop (\$73,659,000)

6. Training enhancement and capacity expansion
7. Comprehensive acquisition workforce and student information system
8. Competency management and assessments
9. Workforce planning-pilot program.

Retain and Recognize (\$26,325,000)

10. Retention and recognition incentives
11. Career broadening and academic programs.

Recruiting and Hiring

Hiring has started, and DoD is investing \$153,756,000 (or 60.6 percent of the total fund amounts) in recruiting and hiring for interns, journeymen, and HQEs in fiscal year 2009. The fund provides resources to leverage and expand existing hiring programs to meet workforce growth requirements. The funding is being used to hire 1,423 interns, 360 journeymen, and 57 HQEs.

The intern initiative is the largest funded line item under DAWDF. In fiscal year 2008, \$83,288,000 was allocated, which allows up to approximately 1,400 interns per year. Examples of increased intern hiring include the Defense Contract Management Agency's efforts to hire 300 interns in fiscal year 2009 using the \$19,803,000 allocated them. Other examples include the Department of the Navy, which in addition to already having a robust Naval Acquisition Intern Program, is planning to hire an additional 100 acquisition interns annually using DAWDF funding. The Army and the Air Force also are using DAWDF funding to increase intern hiring. In addition to interns, the department also allocated \$27,260,000 of fiscal year 2008 funding to hire 360 journeymen. Journeymen are experienced professionals who are hired to fill experience gaps and to rapidly add to overall workforce capability.

Training and Development

For fiscal year 2008, DoD invested \$73,659,000 (or 29 percent of the total fund amounts) in training and development. That provided \$35,499,000 to the components, with the Army receiving \$13,093,000; the Navy receiving \$10,800,000; the Air Force receiving \$6,524,000, and defense agencies receiving \$5,082,000. The Defense Acquisition University received \$38,160,000, of which approximately \$2,400,000 (7 percent) is returned to the components for student travel.

The department's top training priority and most pressing area of need is to improve certification levels and provide acquisition certification training at the right time in an employee's acquisition career. DoD will reinvigorate certification standards to ensure the workforce is fully qualified to be successful in an increasingly complex acquisition environment.

Certification training requirements have exceeded DAU's training capacity and must expand to meet forecasted growth. Increased training demand is based on the departure of the Baby Boomers; replenishment hiring for other workplace turnover; and expanded requirements resulting from planned growth of the workforce. Equally important is the capacity to meet future training demand resulting from increased hiring of interns, journeymen, and HQEs resulting from the DAWDF. Additionally, there are new and evolving training initiatives to improve workforce quality and capabilities.

Some examples of new training include expanded expeditionary training, contracting officer's representative training, and requirements training for the "Big A" workforce. This also includes improved and expanded training for contract specialists and pricing personnel; international cooperation training; expanded program management training; source selection and risk management training improvements; new curricula development for high-impact, emerging acquisition needs; and other job enhancing learning assets. DoD will also complete an enterprise-wide competency assessment of the acquisition workforce to identify gaps and improve both training and human capital planning. The fund is critical in expanding the DAU learning enterprise architecture to drive a new standard of collaboration, integration, and interoperability to better leverage all training investments to continue to drive down the overall average cost of delivering training. The improvements will facilitate the delivery of the right blend of live, virtual, and immersive simulation training to create a more effective learning environment for DoD and to continue to evolve the construct of delivering learning assets using the right delivery medium at the employee's learning point of need. This is a critical element in improving workforce capacity and capability.

Training initiatives are also being deployed by the components to address leadership and other component-specific

skill/competency requirements. Examples of component-specific initiatives include the Army contracting lab, the Army Acquisition Basic Course, the Navy Acquisition Boot Camp, the Navy Acquisition Hot Topics Course, and various executive leadership training. Air Force initiatives include expansion of attendance at its Air Force Institute of Technology Mission Ready Contracting Officer Course, the Intermediate Project Management Course, its Acquisition Leadership Challenge Program, and the Air Force Fundamentals of Acquisition Management Course.

Retention and Recognition Initiatives

DoD is implementing a robust employee retention and talent management strategy to retain acquisition employees with expert knowledge in critical and shortage skill areas. Those employees include, but are not limited to, individuals filling key leadership positions such as program managers, engineers, senior contracting officers, life cycle logisticians, cost estimators, etc. (especially those in ACAT I and ACAT II programs); and other personnel possessing special expertise that is hard to find or retain. DoD will invest \$26,325,000 (or 10.4 percent of the total fund amounts) in retention and recognition incentives, of which \$18,659,000 is allocated for retention initiatives (student loan repayment, tuition assistance, retention bonuses, etc.) and \$5,791,000 is allocated for recognition incentives. The funds are also used for component career broadening and academic degree programs, which also promote retention.

As we prepare the future workplace environment and deploy strategies to improve acquisition outcomes, we must start now to recruit and hire the brightest and best talent to improve the capacity and capability of the acquisition workforce. This requires DoD to create a workplace environment where current and new employees view the department as the best place to work—an integral part of DoD's employee value proposition. The DAWDF accelerates this process. DAWDF funding for retention and recognition is allocated to the Components as follows: the Army receives \$9,148,000; the Navy receives \$10,475,000; the Air Force receives \$4,500,000; and defense agencies receive \$2,202,000.

Restoring the Acquisition Workforce

"Since the end of World War II, there have been nearly 130 studies on these [acquisition] problems—to little avail. I mention all this because I do not believe there is a silver bullet, and I do not think the system can be reformed in a short period of time. ... I do believe we can make headway."

Secretary of Defense Robert M. Gates, Statement before the Senate Armed Services Committee, Jan. 27, 2009

The secretary of defense and the DoD senior leadership team strongly support the president's initiative's to improve the government's acquisition and contracting process. Essential to improving defense acquisition outcomes is a highly



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skilled, professional workforce. There is strong agreement that DoD must act now to recruit, hire, develop, retain, and sustain the acquisition workforce. The secretary of defense is committed to growing the size and capacity of the acquisition workforce. In congressional testimony on Jan. 27, 2009, Gates stated, "We must restore the department's acquisition team. I look forward to working with you and the rest of Congress to establish necessary consensus on the need to have adequate personnel capacity in all elements of the acquisition process."

While the specific size has not yet been determined, DoD will ensure the defense acquisition workforce is appropriately sized to ensure the department has the right acquisition enterprise capability to produce best value for the American taxpayer and the soldiers, sailors, airmen, and Marines who depend on the weapons, products, and services we buy.

DAWDF is a catalyst for growth and renewal of the defense acquisition workforce. Fiscal year 2008 was the start-up year. DoD established the fund, created the governance structure, and prioritized and reallocated funding to the components. Growth has started. Because of the infrastructure work done in 2008, the defense acquisition community will start to feel the impact of the DAWDF in 2009. Most of the fiscal year 2008 funding is allocated for recruiting and hiring, and our challenge now is to accelerate deployed initiatives. The fund and human capital initiatives have ideally positioned DoD to aggressively implement the president's acquisition agenda, the secretary of defense's workforce initiatives, and congressional requirements to reset and restore the acquisition workforce. Those initiatives will serve to revitalize and restore our acquisition workforce—a critical element in improving DoD's acquisition outcomes.

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