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Procurement Management

¶ 5. THE WORKFORCE TRAINING PROBLEM: We Can Think What To Do, But Doing It Is Hard

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The December 2014 issue of *CONTRACT MANAGEMENT* magazine contained an article by our friend Stan Solloway, president and chief executive officer of the Professional Services Council, in which he assessed the knowledge and skills of the acquisition workforce and called for the Government to rethink its approach to training, especially with respect to the acquisition of services. Stan was forceful and direct:

When questioned about obstacles within the federal workforce system, the rising generation of government professionals, primarily, but not solely, in the acquisition field, report that, as a result of the government's approach to workforce training and development, critical thinking and innovation has ceded ground to the kind of rigid, rules-based practices of the past. This trend is identified as one of the single greatest factors driving high performers out of the government and keeping other high performers from seeking government employment.

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Indeed, across the U.S. federal government and throughout the private sector there is a growing sense of frustration and concern that as a new generation of acquisition professionals enters the workforce, they are being acculturated and trained in much the same mode as always, evident gaps remain unaddressed, and little or no thought is being given to a potentially vastly different future.

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Today, 15 years after we began discussing the dominance of services acquisitions, is there a clearly defined curriculum (not just a few classes) for the acquisition of services at [Defense Acquisition University] or the Federal Acquisition Institute? The answer was and is "no." Similarly, does the curriculum address in any depth how a business defines, identifies, and manages risk, which is the key to any business relationship? Again, the answer was and is "no." In fact, several years ago, DAU asked PSC to create a module to address that central topic, which we did, but that module is rarely delivered and remains only part of an optional course.

We're glad that Stan has joined us in criticizing the training being provided by DAU and FAI and the general lack of training devoted to the acquisition of services, although we suspect that his article was prompted in no small measure by his frustration with the Government's increased use of lowest price technically acceptable source selection to buy services.

Past Calls For Better Training

We have been calling for better training since 1999. See *Long-Term Service Contracting in the Year 2000 and Beyond*, 13 N&CR ¶ 49, in which I wrote:

Effective long-term service contracting is essential to effective government. It's time to reassess our ideas. Office of Federal Procurement Policy Administrator Deirdre Lee should establish a panel to think about service contracting in the new millennium and to report its findings to the public by the end of next year...The service contracting study panel should reexamine acquisition dogmas about how to assess service quality, how to write statements of work and contract clauses, how to select service contractors and price services, when and how to design and use contract incentives, and how to manage and terminate relationships with service contractors. *The panel should also consider what type of training [Contracting Officers] and other acquisition personnel would need to operate effectively in a partnership environment. The panel should especially consider the need for training acquisition personnel in effective communication and cooperative decisionmaking.* The panel's report should include appendices that describe the results of good research into private sector practices (not your standard "success story" claims). The work of the panel, if well managed, in-depth, and honest, would be of invaluable service to acquisition policymakers and practitioners. [Emphasis added.]

In 2005, I pointed out that the acquisition workforce lacked the requisite knowledge and skills. See "*Improving The Workforce: Can It Be Done?*", 19 N&CR ¶ 44:

Anecdotally, I have observed that too many contracting people lack a fundamental knowledge of the rules, of effective contracting processes, of general business practices, and of the content and meanings of standard contract clauses. Few of them seem to do much in the way of professional reading and self-development ("I don't have time to read" is a common explanation), and many have underdeveloped analytical and communication skills.

I also discussed the shortcomings in training:

Training is an especially knotty problem. It appears that most contracting people learn their work through loosely structured on-the-job training—new hires work under the tutelage of a more experienced worker who provides guidance and assistance. What one usually learns is how things are done in a particular agency bureau. The quality of such training depends on the content of the work assignments, the learning ability of the new hire, and the knowledge and skill of the tutor. Unfortunately, on-the-job training without theory and training in process design leads to rote performance. So we see people using [Federal Acquisition Regulation] Part 15-type contract formation procedures even when making simplified acquisitions and ordering services against [General Services Administration] schedule contracts.

Most classroom training seems to take the form of short one- to four-day seminars, in which the instructor lectures and presents a series of overhead slides over the course of a five- or six-hour day and assigns no homework. A course might include some rudimentary "group exercises" or "case studies." Attendees often have widely varying degrees of experience with the topic at hand and varying levels of interest and commitment to learning. (I have had GS-15 contracting specialists in my FAR Bootcamp, sitting alongside people entirely new to the field.) It is common to have people in a course who have no real idea of what the course is about or what they want to learn (or even what they need to know).

Many seminars try to cover the entire gamut of a broad subject, e.g., a three-or four-day seminar in “contract administration,” with maybe three hours (not counting a break) for each main topic, such as inspection and acceptance, Government property, contract modifications, etc. Some managers insist that an instructor teach as many people as possible (some from contracting, others from technical offices, with widely varying backgrounds and experience) and cover as many topics as possible in as short a time as possible. (“Let’s go two days, from 8 a.m. until 5 p.m., and cover this three-page list of topics.”) Of course, by 11 a.m. on the first day the attendees are hearing, at best, maybe 20% of what the instructor is saying; by 3 p.m. it’s down to 5%. Course sites, especially on-site conference rooms, are often crowded, noisy, too hot or too cold, with hard seats and small tables, and generally unsuitable for a good learning experience. I’m not sure what managers really expect people to get out of such an experience. There is a difference between enjoying a class because the instructor is lively and fun and really learning something. Learning takes focus and discipline; it takes self-study (that means homework), good instructor-student communication, testing (no multiple-choice or true-or-false questions), and correction and reinforcement.

On-line training, which is a kind of programmed learning, is increasingly popular because it reduces the cost of training, but it is questionable whether it provides much in the way of a learning experience. One wonders what measurable performance standards the Government has established to determine the effectiveness of on-line training.

The bottom line is that the current training regime for contracting is entirely inadequate, has long been so, and is long likely to be so unless and until the Government gets serious about the problem and devotes serious planning and money to it. Hiring people with business degrees will not solve this problem, because the education that one gets in college is too general to be of immediate use in a Government contracts office. What one learns in college about accounting and pricing does not immediately enable one to design a performance incentive for a Government service contract. Workforce “certification” based on poor training is worthless. But given the size of the contracting workforce and its diversity in terms of educational background, experience, and work assignments, an effective fix to this problem will not be easy or cheap.

In 2011, Ralph made these observations about the training provided by DAU and FAI, in *Training the Acquisition Workforce: Is It Effective?*, 25 N&CR ¶ 5:

Vern and I get a lot of feedback from [Department of Defense] employees on the training they receive from the DAU. Many of them tell us that the training is mediocre at best and some are highly critical. Last August, I spent two hours with approximately 50 Air Force interns who had taken a number of DAU courses. I gave them . . . five questions and asked if they could answer them. . . . None of them indicated that they could answer any of the questions. . . . Their inability to answer any of the questions makes us wonder what they are learning. We also question whether the trainees are giving the same assessment to the DAU that they are giving us. All in all, we are left with more questions than answers. It seems as if a rigorous investigation of the effectiveness of the DAU’s training is in order.

In my addendum to Ralph’s article, I was not so nice:

The current acquisition training regime is unsound and inadequate. The Government cannot rely on the DAU, the FAI, and commercial training companies for the preparation of the next generation of contract

specialists and COs.

So we are really glad to see Stan step up so publicly and at the risk of giving offense to some.

Although Stan said a lot about what is wrong with the current workforce training, he did not propose a curriculum. Since we have been thinking and writing about this for so long, we thought we'd offer some suggestions for a curriculum for contracting personnel. We're going to describe what we think a new contract specialist should learn and the skills training he or she should receive.

Professional Education

First, newcomers must learn about the subject matter, functions, and tasks of acquisition. Most entry-level people will have no idea what it is really about. Although there are similarities, acquisition is not the same as purchasing in the commercial sector. Newcomers must learn what Government acquisition people buy, the markets in which they buy it, and the business sectors that produce it, and they must learn about the processes for buying those things, beginning with needs determination and requirements specification, through acquisition planning, contract formation, and contract management, to contract closeout.

Second, newcomers must learn some of the fundamental concepts of acquisition and the language used to name and describe them. They must learn what a contract is, what "competition" means (which in Government contracting is something different than what they learned in their college economics class), what is a contract "type," what is contract "pricing" (which in Government contracting is something different than what they learned about pricing in their college marketing class), and what are statements of work, specifications, data item descriptions, "scope," funds and funding, termination, data rights, etc.

Third, newcomers must learn about the system of institutions and rules that condition the acquisition process. They must learn about the U.S. Code, the Federal Register, and the Code of Federal Regulations. They must learn about the Office of Management and Budget and Office of Federal Procurement Policy, the Chief Acquisition Officers Council, the FAR councils, the courts, the boards of contract appeals, the Government Accountability Office, the inspectors general, the heads of agencies, the chief acquisition officers, the chief financial officers, the chief information officers, the senior procurement executives, the heads of contracting activities, finance officers, Contracting Officers, and program managers. They must learn about funds and funding—authorization, appropriation, apportionment, and allotment—and about the proper use of funds.

Those three sets of topics can be taught in the classroom. They can be taught online to some extent, if the Government is willing to invest in first rate design and execution. See the Harvard, Yale, and Stanford websites to see what quality online training looks like. (It doesn't look anything like what DAU has developed. DAU's efforts have been embarrassing.) But these things can also be learned in reading, case study, and discussion groups tutored by senior personnel and with proctored exams. To our way of thinking, the latter is the best way and most affordable way. What are needed are quality textbooks and case study materials and good tutors.

Now a word about teaching the regulations. In his article, Stan criticized the emphasis on FAR training:

Today, at DOD and elsewhere, the first stage of training and development for new members of the acquisition workforce is some form of a Federal Acquisition Regulation (FAR) "boot camp." However, most educational theories agree that this kind of approach tamps down critical thinking and feeds rigidity and risk aversion. . . . Simply put, the best way to discourage critical thinking on "day two" is to hammer home the rules on "day one."

That is nonsense, and Stan is off base. Proper learning about the rules and how to interpret and apply them does not “tamp down” critical thinking and innovation. Quite the contrary.

The reality is that a lot of rules apply to acquisition and there are consequences, sometimes serious, for failing to comply with them. Mastery of the rules provides the self-confidence needed to design and argue for experimentation and innovation. See FAR 1.102-4(e). It was our knowledge of the rules that prompted Ralph and me to propose soliciting oral presentations instead of written technical proposals in order to streamline the source selection process. See *Oral Presentations in Competitive Negotiation: Could They Be Used in Lieu of Written Proposals?*, 8 N&CR ¶ 48, and *Oral Presentations in Competitive Negotiation: Delayed Second Opinion*, 8 N&CR ¶ 49. And it was our knowledge of the rules that led us to propose changes that would permit new ways of contracting for long-term, complex services. See *A Proposal for a New Approach to Performance-Based Services Acquisition*, 45 Def. Acquisition Rev. J. 353 (Sept. 2007), available at http://www.dau.mil/pubscats/pubscats/arj45/ARJ45_complete.pdf.

A CO who is not confident about the rules is likely to be afraid to try unorthodox things and thus more likely to say *No* or to do nothing without first getting some lawyer’s *nihil obstat*. A CO who is confident in his or her knowledge of the rules and ability to research and interpret them is much more likely to say: *Give me some time. I’ll find a way.* That’s been my experience over the course of more than 40 years of working in and managing contracting offices and teaching contracting.

Rules prompt innovation. If you don’t believe that, ask a tax accountant or tax attorney. Indeed, rules, and the study and knowledge thereof, are the very sparks of innovation in all fields of endeavor, whether they are the laws of physics, the tax code, artistic convention, or the FAR. And people who know the rules know that they are not nearly as prescriptive or restrictive as most people think. See Kelman, *PROCUREMENT AND PUBLIC MANAGEMENT* (1990) at 25:

The contracts people generally serve as a lobby for allowing less discretion than the regulations do. . . . Indeed, I was repeatedly surprised how many common procurement practices are not mandated by the procurement regulations, but come from a procurement culture that has developed in contracting offices.

Such practices are spawned by the fearful ignorant. In a complicated world, there is little worse than trying to do business with a fearfully ignorant person in a world full of rules. Education cures ignorance and drives out fear.

Bring In On-The-Job Training

Once new contract specialists have started to become familiar with acquisition concepts and rules—they will never be “done” in that regard, and they must learn that, too—newcomers need to learn the professional acquisition arts: critical thinking and argumentation, written and oral communication, cost estimating, risk analysis, decision analysis, contract pricing, contract negotiation, and relationship management. They will use those arts in order to design deals and relationships by combining the various acquisition “building blocks”—specifications, statements of objectives, statements of work, and data item descriptions; contract line items, contract pricing and incentive schemes; standard and special contract terms; contract options, data rights, ordering, and delivery schemes; contractor selection criteria, methods, and processes, etc. Deal and relationship design is the supreme professional acquisition art.

The professional arts, including the supreme art of deal design, can be taught through a combination of classroom and on-the-job training. On-the-job training is the critical piece. Think of it this way: an infantry of-

ficer candidate can learn the theory of patrolling in a classroom, but he can learn how to lead a patrol only through practice. A pilot can learn the theory of flight in a classroom, but she learns how to fly in an airplane. On-the-job training must be structured, with learning objectives, feedback mechanisms, and correction. If on-the-job training is going to be effective throughout the Government, then it must meet uniform standards of quality, and that quality must be controlled and assured. The quality of on-the-job training must be an important consideration in every supervisor's and manager's performance appraisal.

So this is our cut at a contract specialist education and training curriculum. We have made no attempt to think how classes to implement our curriculum would be designed, scheduled, and conducted, who would do it, and what textbooks and other materials they would use. That will have to be done by the educational institutions to which the educational task is assigned and by the agencies that will have to conduct and manage the on-the-job training. It is not hard to think of the things that a contract specialist must learn. What is hard is making sure that they learn it and taking appropriate measures when they don't or won't. As a practical matter, training 30,000 plus contract specialists, new and longstanding, is not an easy task, and as I have said before, DAU and FAI have been given a difficult mission. It will take some serious thinking, planning, and designing in order to figure out how to do it, do it well, and do it soon.

A Final Note

Government personnel seem too often inclined to wait for a class instead of learning through self-study by buying and reading a book. Part of the reason is that there is no downside to not pursuing self-study. Another reason is that no one in Government has established a structure and set of incentives for self-study. When I started out in contracting I spent a lot of time in the local Judge Advocate's library and in the library of the Aerospace Corporation reading everything I could get my hands on. Why doesn't the Government encourage that kind of self-study through structure, support, and incentives? *VJE*
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