



DoN Acquisition Workforce Strategic Plan

August 2010



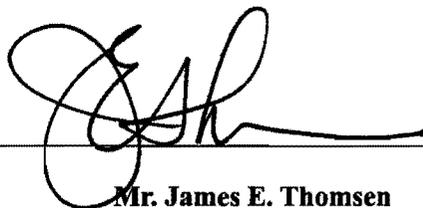
Foreword

Dedicated, experienced, trained and skilled people are key to the success of the Department of Navy. For the Department of Navy Acquisition Workforce, having the right people, in the right job, at the right time will translate to effective and efficient execution, delivering the finest warfighting capability in the world at an affordable price. The Department of Navy has significant efforts underway to increase the size and improve the quality of its Acquisition Workforce, thereby ensuring its revitalization.

To continue to meet the challenges of the 21st Century, we must recruit, train and retain the best and brightest to provide knowledge, oversight and stewardship to our Acquisition Programs. In our commitment to deliver an improved workforce, we recognize and embrace diversity as we pursue the most competent and productive professionals. By informed policy, sound understanding of scientific and technological advancements and deliberate management of our Acquisition Workforce across all competencies, we demonstrate our commitment to our men and women in uniform who have dedicated their lives to the protection of our freedom.

The Acquisition Workforce must be properly staffed to deliver the Department of Navy's complex and highly technical war-fighting capability. This Strategic Plan sets a course to deliver an improved, forward thinking workforce that is well-managed, highly trained and fully qualified. This document aligns with the Department of Navy's objectives and is complementary to Acquisition reform.

We have set high standards and have embarked on a strategy to improve the Acquisition Workforce in all disciplines. We intend that the Acquisition Workforce be a high performing, professional organization imbued with experience, expertise, integrity and potential for advancement.



Mr. James E. Thomsen

Principal Civilian Deputy Assistant Secretary (RD&A)

Background

Success in Department of Navy (DoN) acquisition is dependent on having the right people with the right skills in all phases of the acquisition lifecycle. In 2009, the Acquisition Workforce (AWF) represented just over 8% of the DoN's total military and civilian force, but was responsible for executing nearly 45% of its Total Obligation Authority (TOA).

Since the 1990's, the value of DoN contracting increased by more than 50%, while at the same time, the AWF declined by nearly 50%. This has resulted in an AWF that now has less time to focus on the critical "up-front" steps in the acquisition process, including understanding the requirements, early systems engineering, government/industry prototyping, competition and contract administration. In essence, with these significant AWF losses and attendant workload increases, the DoN has lost some ability to manage the technical-cost tradespace of the 45% of the DoN TOA it is responsible to execute, including major weapons systems acquisition. The consequence is that DoN has less knowledge of the cost and complexity of the systems DoN procures under contract.

Secretary of Defense AWF Initiative

In his March 2009 memorandum, the President communicated his intent that the federal acquisition workforce have the capacity and ability to develop, manage, and oversee acquisitions appropriately. On April 6, 2009, the Secretary of Defense announced three principal objectives that are key for improving the Department of Defense (DoD):

- Take care of the all-volunteer force which represents America's greatest strategic asset
- Rebalance the department's programs and enhance capabilities to fight the wars we are in today and the scenarios we are most likely to face in the future, while at the same time providing a hedge against other risks and contingencies
- Reform how and what we buy, meaning a fundamental overhaul of our approach to procurement, acquisition, and contracting

AWF Strategic Plan Alignment

On April 6, 2009 the Secretary of Defense announced his intent to in-source approximately 33,400 contractor support positions which includes 10,000 positions supporting acquisition.

Strategic sizing and rebalancing the multi-sector acquisition workforce are critical elements of the DoD and DoN acquisition improvement strategy. Rebuilding the DoN AWF requires alignment and strategic imperatives to deliver the Navy's total workforce outlined in the Navy's Total Force Vision for the 21st Century (NTF 21) of January 2010. NTF 21 specifically calls out the need to develop a "learning organization" to provide a career continuum of training, education, and experiential learning and development, recognizing the Navy's workforce is becoming a leaner more versatile and highly technology-centric force. In 2009, the DoN highlighted innovative programs and policies designed to recruit, develop and retain a high quality workforce, including the AWF. CNO set the standard that DoN should strive to become a Top 50 organization. Chief of Naval Personnel highlighted the Navy's efforts to be recognized in that elite group with his assessment: "We believe that a Top 50 organization is one that has innovative programs for its people, that recognizes people as their most valuable asset, and rewards them with an environment that is personally and professionally rewarding and challenging, that promotes a climate of respect and trust that encourages development and provides the rewarding work of service."

The OSD Human Capital Initiative (HCI) identifies the Defense Acquisition Workforce Improvement Strategy. There are two DoN documents that align with and support the OSD HCI (Figure 1): the DoN's Human Capital Strategy (HCS) and the NTF 21. The DoN HCS focuses on leveraging leadership, exploiting scientific and technological advancements, and aligning personnel capability and expertise in "competencies." NTF 21 describes what Navy must be to deliver a high performing workforce today and in the future:

- Responsive to the Joint Warfighter
- Competitive for the Best Talent in the Nation
- Diverse
- A Learning Organization
- Leader in Human Resource Solutions

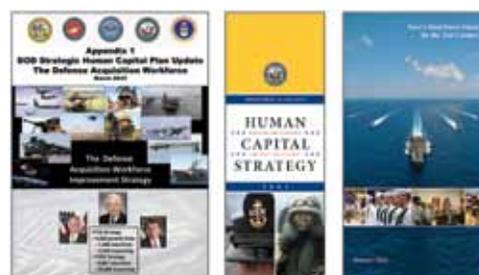


Figure 1: OSD Human Capital Initiative (HCI), Human Capital Strategy (HCS) and NTF 21

The Assistant Secretary of Navy for Research, Development and Acquisition (ASN RDA) announced five Acquisition Excellence Initiatives in November 2009:

- Getting the Requirements Right
- Making Every Dollar Count
- Performing to Plan
- Minding a Healthy Industrial Base
- Acquisition Workforce

The Navy and Marine Corps has been equipped with the most capable warfare systems in the world. However, acquisition costs are rising and there must be deliberate, sustained action to reverse this trend. Focusing on the five initiatives above will allow for clear focus and priority on controlling costs.

The DoN AWF Strategic Plan specifically addresses the Acquisition Workforce Initiatives and is in alignment with the OSD HCI, the DoN HCS and CNO's NTF 21. It outlines a framework specific to the AWF to rebuild capacity and capability, with a commitment to diversity. It is fundamentally built on the fact that current and future DoN warfighting

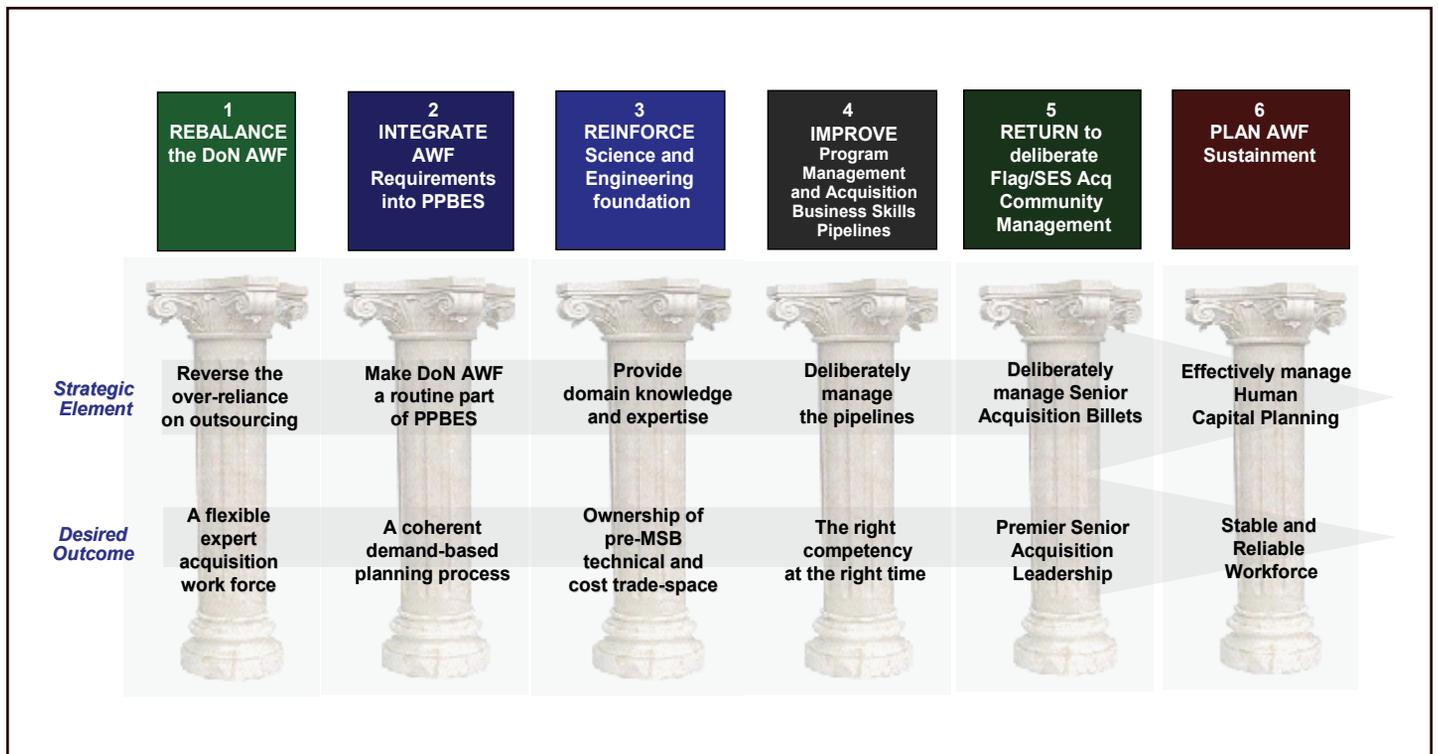
capability requires material solutions that are often complex, interoperable, and highly technical, which, in turn, demands technical, business, and leadership skills in the AWF capable of delivering it.

DoN's Rebuilding the AWF Initiative

The DoN AWF Strategic Plan is built upon a six-pillar foundation, as shown in Figure 2, that recognizes the need to (1) rebalance the current workforce (contractor and government), (2) make AWF a part of the DoN's annual planning, programming, and budgeting system, (3) strengthen DoN's science & engineering domain expertise, (4) improve program management, contracting, and business competencies, (5) deliberately manage leadership acquisition billets, (6) sustain the AWF.

The success of this plan, however, is dependent upon specific processes (and process improvements) that will enable acquiring, retaining, sustaining, and measuring a healthy AWF. These processes include: (1) requirements and demand, (2) outreach, recruiting and hiring, (3) retention and compensation, (4) education and training, (5) career management, (6) planning, programming and budgeting, (7) alignment.

Figure 2: Rebuilding the Acquisition Workforce



Pillar 1 : Re-balance the AWF

Reverse the over-reliance on outsourcing

Background:

Based upon a 2007 and 2008 ASN RDA review of the acquisition workforce, with emphasis on program offices that develop and procure major weapons systems, it was determined that the DoN AWF is between 12-15% below the requirements threshold. The independent study found that many of DoN's major program offices were typically staffed with up to 50% contractor support performing core acquisition functions. It was also found that DoN's contractor support services and advisory services had grown to over 240,000 Full Time Equivalents (FTE) in 2008, a dramatic increase over the 2003 contractor totals. Hiring restrictions by some Systems Commands also resulted in outsourcing core Science and Engineering functions at the Navy's Warfare Centers. The result has been an over-reliance on contractors performing core acquisition functions.

To reverse this trend, DoN is in-sourcing 3500 acquisition positions between FY 10-15. DoN will add 1590 positions to meet demand by using the Section 852 funds (Defense Ac-

quisition Workforce Development Funds), and other growth strategies to achieve a total growth of at least 5000 personnel over a six-year period.

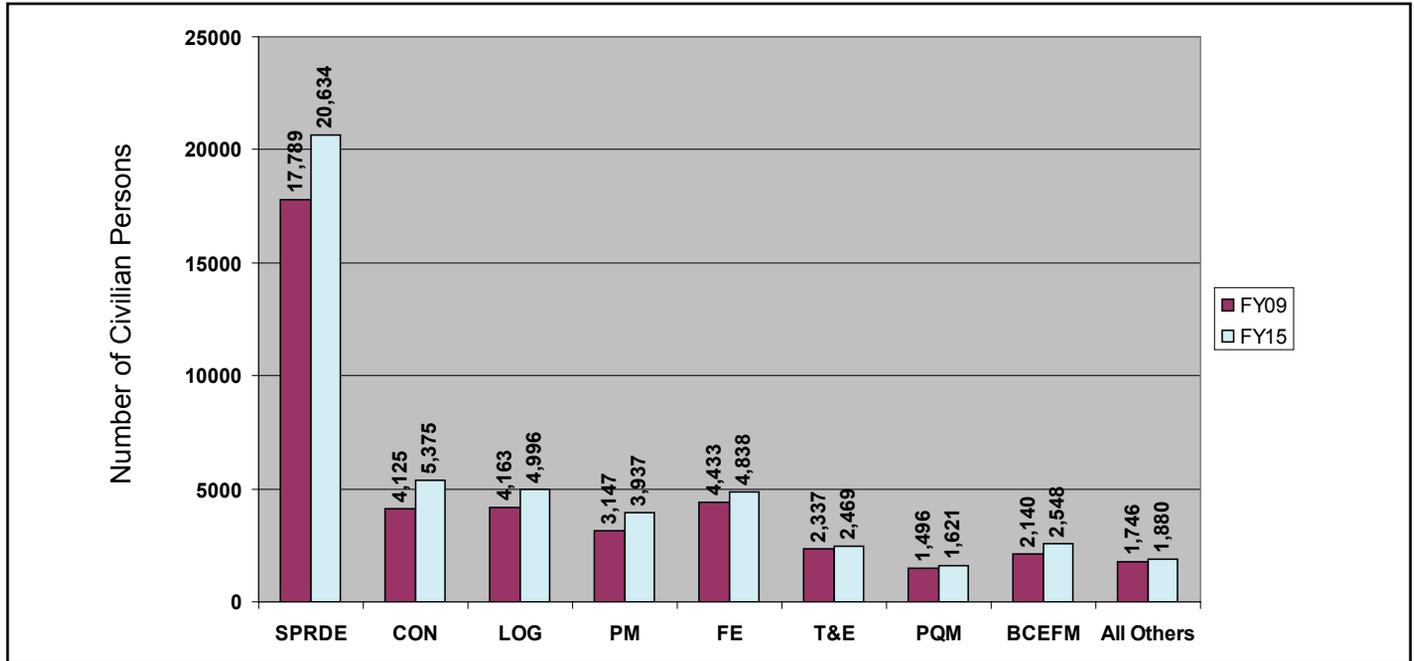
Objectives:

1. Execute the AWF growth plan over Future Years Defense Plan (FYDP) to include in-sourcing of 3,500+ civilian personnel in addition to hiring 1,590 civilians with Section 852 funding
2. Establish a comprehensive, data driven AWF analysis and decision-making capability through Total Force Analytical Models, leveraging OPNAV N1 and USMC Modeling
3. Determine and improve AWF requirements based on System Command/Program Executive Office (SYSCOM/PEO) demand signal
4. Significantly improve knowledge of Contractor Support Services to understand their contribution to the total Acquisition Workforce

Bottom Line – Appropriately increase the numbers of AWF government civilians based upon credible demand signals and improve AWF competence and expertise. Reverse the Over-reliance on Outsourcing.



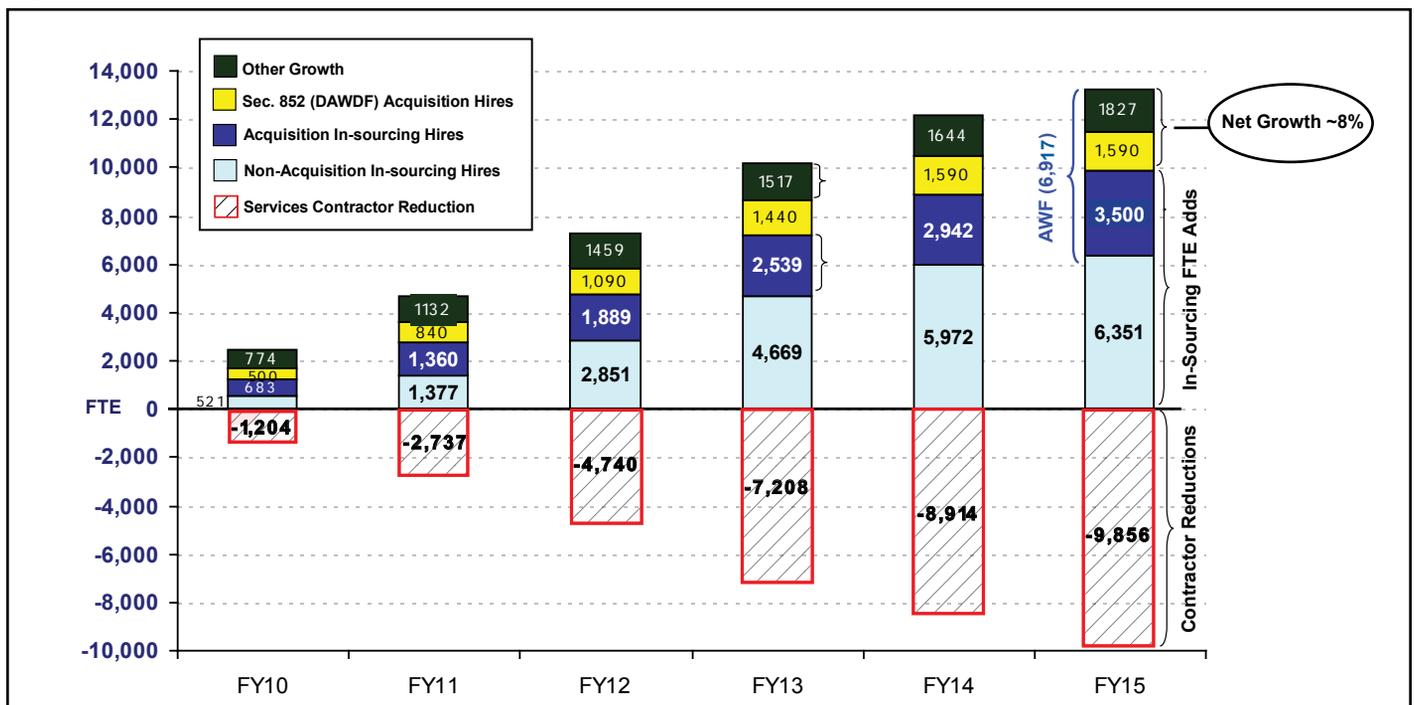
Figure 3: DoN Civilian Acquisition Workforce Growth by Career Field



Planned growth in each of the DoN Civilian Career Fields is shown in Figure 3. This chart indicates the number of civilian personnel in FY09 and the growth plan through FY15 in each of the Civilian Workforce Career Fields. Figure 4 shows the planned growth of the AWF and the concomitant reduction

in contractors. This chart depicts the cumulative effect on in-sourcing and section 852-related growth in rebalancing the acquisition workforce. Combined with other growth, the civilian acquisition workforce will be increased by 8% over the next six years.

Figure 4: DoN Civilian AWF Growth Overview





Pillar 2 : Integrate AWF Requirements into PPBES

Make DoN AWF a routine part of PPBES

Background:

Planning, programming, and budgeting is a natural result from a disciplined requirements process. In 2009, SECNAVINST 5300.38 was established to ensure maximum coordination among multiple stakeholders with the goal of establishing AWF requirements and integrating them into the annual budget cycle. Key organizations involved in coordinating AWF requirements include SYSCOMS/PEOs, ASN(M&RA), OPNAV N1, ASN (FM&C), HQMC P&R, and ASN(RDA). The desired effect is to implement a coordinated and repeatable demand-based planning process which produces more informed decisions regarding AWF funding and POM/PR execution.

Objectives:

1. Complete implementation of policies/processes defined in SECNAVINST 5300.38
2. Assess risks to matching budget with AWF requirements as part of Planning, Programming, Budgeting and Execution System (PPBES) process
3. Establish a standardized forum / tool with PEOs via SYSCOMs to communicate POM/PR staffing process and associated risks

Bottom Line - Implement a repeatable and coherent staffing process to vet AWF requirements in the PPBES to meet requirements. Make AWF a Routine Part of PPBES.

Pillar 3 : Reinforce Science and Engineering foundation

Provide domain knowledge and expertise

Background:

The DoN has a longstanding heritage of in-house expertise in Science and Engineering (S&E), both in the military and civilian communities. Without a strong Science and Engineering foundation, the AWF becomes no more than an administrative interface with limited knowledge of the systems it develops and procures. DoN relies on its Chief of Naval Research, Naval Research Laboratory and its Warfare Centers for much of its S&E foundation. Since the 1990's however, capacity has decreased by 47% with a corresponding increase of workload by 26%. Restricted hiring at some Warfare Centers in the last decade contributed to diminished S&E capacity in DoN with approximately 60% fewer personnel under the age of 31 serving in Warfare Centers and the Naval Research Laboratory. The desired effect is to restore S&E talent to DoN to maintain a technological advantage, and to regain responsible DoN ownership of the technical-cost tradespace of technology and acquisition programs.

Objectives:

1. Increase in-house technical Domain Expertise (networks, ships, missiles, sonar, etc.) and increase Systems Engineering capacity by 14% over FYDP
2. Re-start Navy Laboratory/Center Coordinating Group as well as DoN Systems Engineering stakeholders groups to improve System Engineering competency
3. Reinvest in DoN's S&E workforce by attracting, rewarding, and retaining the Nation's most capable Scientists and Engineers
4. Leverage DoN Science & Technology community through Section 219 (NDAA FY09) and other approved methods to make immediate changes
5. Investigate and improve current DoN policy regarding Independent Research and Development (IRAD) partnerships with industry

Bottom Line – Hire scientists and engineers at our Warfare Centers and the Naval Research Laboratory with the expertise that DoN needs to regain knowledge of the technical/cost trade-space of Naval Acquisition programs. Provide Domain Knowledge and Expertise.

Pillar 4 : Improve the Program Manager & Acquisition Business Skills

Deliberately manage the pipelines

Background:

Stated requirements for Acquisition billets and Program Office tours may not provide the appropriate exposure time and experience to fully prepare candidates in the AWF. Although Major Program Managers (MPMs) are currently meeting the minimum requirements for Acquisition and Program Office Experience, jobs identified as counting toward “Acquisition Experience” are not always serving that purpose adequately. This pillar addresses more than Program Managers; it also extends to the Acquisition skill competencies: Contracting, Financial Management, Production Quality Management, Logistics and Cost Estimating. The desired effect is to have fully trained and certified candidates competing for Critical Acquisition Positions (CAP) and Key Leadership Positions (KLP) with the right experience, education, skill-sets and certification. This is achieved by shaping the pipeline for each of the acquisition force competencies in such a way that candidates are properly prepared to handle the duties and responsibilities attendant to the job for which they are applying. Each acquisition competency pipeline must have active and forward thinking leadership oversight, meaningful experience and education standards, as well as mentoring and career planning regimes. The effect is that over a career, members of the AWF mature in their disciplines and are effective and efficient in each job they hold.

Objectives:

1. Standardized slating process for ASN (RDA)
2. Conduct reviews of current qualification requirements and assess need for qualifying versus quantifying experience and knowledge
3. Review waiver policies for all AWF positions
4. Reduce seat cancellations in required courses and ensure candidates applying for CAP/KLP billets are meeting statutory training requirements in the allotted timeframe
5. Develop Career Paths for all AWF competencies

Bottom Line - Get the right people, in the right job, at the right time with the right certification in all acquisition competencies. Deliberately Manage the Pipelines.

Pillar 5 : Return to deliberate Flag/SES Acquisition Community Management

Deliberately manage Senior Acquisition Billets

Background:

There is a need to ensure that the Acquisition Community senior leadership have customized pipelines and career management. Currently, there are Flag-level Community leaders and dedicated Community Managers (O-5 level) who actively work military acquisition community issues. Additionally, there is an Acquisition Corps Manager at the Bureau of Navy Personnel (BUPERS) involved in community pipeline improvements. However, there is no designated, overarching Acquisition Community (AC) Leader for military/civilian acquisition professionals. The desired effect is to have healthy acquisition leadership pipelines through coordinated SES and Flag Acquisition Community succession plans.

Objectives:

1. Establish the Principal Military Deputy Assistant Secretary of Navy (PMD) with oversight responsibilities across military communities within the DoN AT&L AWF
2. Establish Principal Civilian Deputy Assistant Secretary of Navy (PCD) as SES Acquisition Community Leader
3. Establish Acquisition Community Management Board (3-star/SES) to coordinate senior acquisition billets/assignments, leveraging the SES talent management process
4. Establish and mentor healthy military and civilian Acquisition leadership pipelines

Bottom Line – Deliberately manage Senior AWF Leadership and the leadership succession plan. Deliberately Manage Senior Acquisition Billets.



Pillar 6 : Plan AWF Sustainment

Effectively manage Human Capital Planning

Background:

With a substantial effort and investment in rebalancing the AWF over the next five years, there is a need to focus not only on the recruitment and hiring but on the retention and sustainment of people as well. Investing in people is a career-long commitment and not just an early upfront commitment. AWF members must be provided with career development paths and opportunities for personal and professional growth throughout all phases of their careers.

In order to maintain a sustainable workforce, gaps in capacity and capability need to be identified and examined within the current AWF profile. The desired effect is to have a stable and reliable workforce which will be realized through the establishment of effective recruitment and retention programs, certification goals and by addressing training and other workforce needs.

Objectives:

1. Identify and prioritize areas for AWF retention management
2. Explore strategies to improve retention
3. Ensure sustainment of Section 852 Growth billets through the POM process

Bottom Line - Use analytical forecasting to optimize AWF recruitment, retention and hiring and establish a strong management process to align billets, qualified people and competencies. Effectively Manage Human Capital Planning.



Important Acquisition Workforce Policy and Legislation

The Congress has included more than 35 provisions for AWF in the last three Defense bills. Several of these statutes are critical components of the DoN's AWF Strategy, including: Inventories and Reviews of Contracting for Services (FY08 Section 807, NDAA); Acquisition Workforce Expedited Hiring Authority (FY09 Section 833, NDAA); Career Path and Other Requirements for Military Personnel in the Acquisition Field (FY09 Section 834, NDAA); Mechanisms to provide funds for defense laboratories for research and development of technologies for military missions (FY09 Section 219, NDAA), and Requirement for Department of Defense

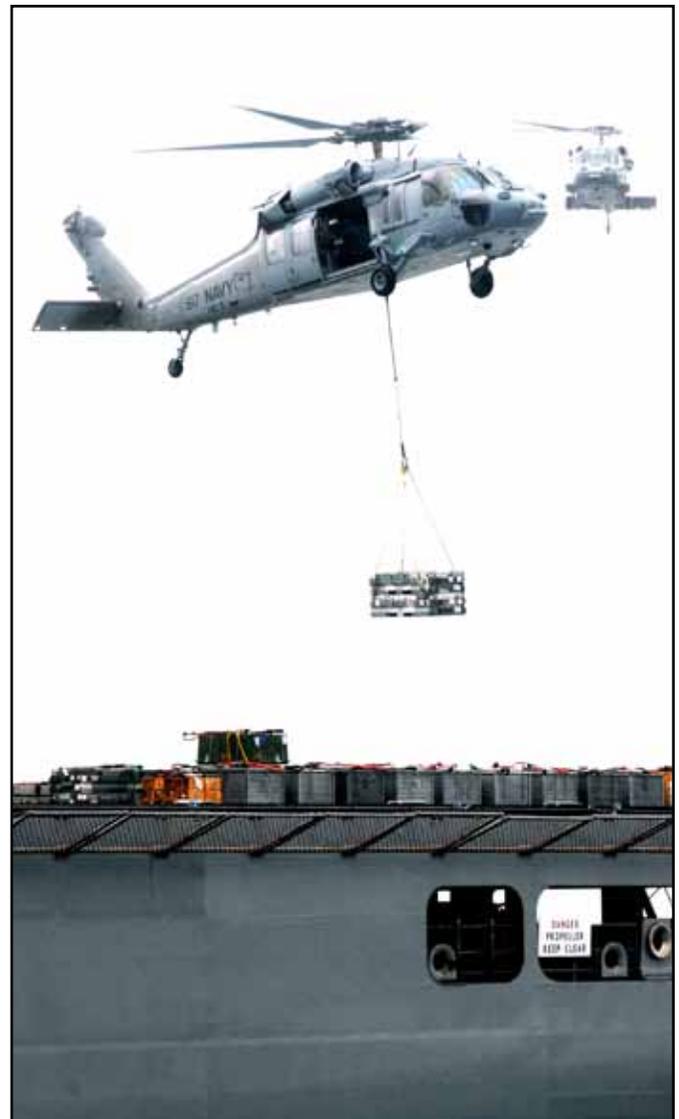


Figure 5: AWF Strategy Initiatives Mapping

| Mapping AWF Strategy to Actions | | | | | | |
|---------------------------------|-----------------------------------|--------------------------------------|---|--|---|--------------------------|
| | 1. Rebalance the AWF | 2. Integrate AWF into PPBES | 3. Reinforce Science & Engineering Foundation | 4. Improve Program Manager & Business Skills | 5. Deliberate Flag/SES Community Management | 6. AWF Sustainment |
| A. | AWF Requirements & Demand | ✓ | ✓ | ✓ | ✓ | ✓ |
| B. | AWF Outreach, Recruiting & Hiring | ✓ | ✓ | ✓ | ✓ | |
| C. | Retention & Compensation | ✓ | | ✓ | ✓ | ✓ |
| D. | Education & Training | | ✓ | ✓ | | |
| E. | Career Management | ✓ | | ✓ | ✓ | ✓ |
| F. | Planning/Programming & Budgeting | ✓ | ✓ | ✓ | | |
| G. | Alignment | ✓ | ✓ | ✓ | | ✓ |

✓ Initiative Identified

Strategic Workforce Plans (FY10 Section 1108, NDAA). All of these provisions are important components of DoN’s AWF Strategic Plan and leverages these policies and legislation to make the plan successful.

Rebuilding the Navy Acquisition Work Force – The Next Steps

DoN’s warfighting capability requires material solutions that are complex, interoperable, and highly technical. The Acquisition Workforce must be properly staffed if DoN is to successfully deliver that capability and be effective stewards of the tax payers’ resources. Growing the AWF; converting core functions back to government; recruitment and retention of world class engineers and scientists; improved pipeline planning; and deliberate and thoughtful leadership preparation

all play a part. The DoN AWF Strategic Plan is aligned to and supports DoD and DoN objectives; it is built upon the strong foundation of six pillars. To implement the strategic plan, a number of specific initiatives have already begun for FY10. Figure 5 highlights seven specific “process” areas, mapped to the six strategic pillars that must be leveraged, adjusted or changed in order to successfully meet the plan’s objectives. An action plan has been developed for these initiatives under separate cover, with metrics to assess progress. Future year initiatives will be planned based upon the success and lessons learned from FY10.