

Highlights of [GAO-12-232T](#), a testimony before the Subcommittee on Technology, Information Policy, Intergovernmental Relations and Procurement Reform, Committee on Oversight and Government Reform, House of Representatives

## Why GAO Did This Study

The Department of Defense (DOD) is the government's largest buying entity and has recognized that rebuilding the acquisition workforce is a strategic priority. The federal government's current budget and long-term fiscal pressures underscore the importance of a capable and well-functioning workforce. GAO and others have long recognized that the size and capabilities of the workforce across the government warrant the attention of the Congress.

This statement discusses (1) DOD's progress in addressing challenges faced in rebuilding the capacity of the acquisition workforce, and (2) insights into the efforts by the Defense Contract Management Agency (DCMA) to rebuild its contract oversight capacity. This statement is drawn from our broad body of work on DOD contract management and acquisition workforce as well as a report issued earlier this month on DCMA's efforts to rebuild capacity. We also obtained updated information from DOD with regard to its acquisition workforce competency assessments and workforce hiring.

## What GAO Recommends

GAO is not making any new recommendations in this statement. GAO has previously made recommendations to DOD to help address DOD's workforce challenges. DOD generally agreed with most of the recommendations and has efforts under way to implement them.

View [GAO-12-232T](#). For more information, contact John Hutton at (202) 512-4841 or [huttonj@gao.gov](mailto:huttonj@gao.gov).

November 16, 2011

# ACQUISITION WORKFORCE

## DOD's Efforts to Rebuild Capacity Have Shown Some Progress

### What GAO Found

DOD has made some progress in rebuilding the capacity of the acquisition workforce. For example, DOD reported that it hired about 5,900 civilians into the acquisition workforce in fiscal year 2010 using the Defense Acquisition Workforce Development Fund or as a result of decisions to convert functions previously performed by a contractor to performance by government personnel. DOD's plans for further growing the acquisition workforce remain uncertain because of budget issues. Building workforce skills and expertise is just as important, however, as increasing the size of the acquisition workforce. DOD also made progress in completing competency assessments, which identify the current skills and capabilities of the workforce and help identify areas that needed further management attention. DOD officials reported that DOD has completed three assessments, including contracting, life cycle logistics, and program management, and is drafting final reports for another six assessments. One area where DOD still faces challenges is determining the effectiveness of its training in improving acquisition outcomes. GAO recommended in 2010 that if DOD is to fully assess performance improvements, it needs to go beyond measuring the size of the workforce. DOD did not concur with the recommendation, stating that it believed existing metrics were sufficient to assess the impact of its training efforts on acquisition outcomes. GAO continues to believe DOD needs to develop additional metrics. Further, to help improve acquisition outcomes, GAO reported that DOD needed to assess the skills and competencies of and training provided to those people who have a role in acquisition but who are outside what DOD has formally defined as the acquisition workforce. GAO recommended that DOD establish criteria for identifying these personnel, assess the critical skills needed to perform their role in the acquisition process, and designate an organization that has the responsibility to track DOD's progress in identifying, developing, and overseeing personnel outside the defined acquisition workforce. DOD concurred with these recommendations.

The challenges DCMA is experiencing in rebuilding its capacity are illustrative of those faced by DOD. DCMA performs a critical role in helping to manage and oversee contractor performance. GAO's November 2011 report found that DCMA is attempting to rebuild its workforce, making increased use of the Defense Acquisition Workforce Development Fund. For example, in fiscal year 2011, DCMA reported it hired 1,221 new employees under this authority, a substantial increase from 166 hired in fiscal year 2009. GAO also noted that by the late 1990s, DCMA had lost the majority of its contract cost/price analysts, which, according to DCMA, meant many of its pricing-related contract administration responsibilities, such as negotiating forward-pricing rate agreements and establishing final indirect cost rates and billing rates, were no longer performed to the same level of discipline and consistency as in prior years. As a result, DCMA reported that DOD's acquisitions were subjected to unacceptable levels of cost risks. Over the last 2 years, DCMA reports it has hired 279 new contract cost/price analysts and cost monitors (bringing the agency's total number to about 400), extensively using the Defense Acquisition Workforce Development Fund to do so.