Where Defense Acquisition is Today

A Close Examination of Structures and Capabilities

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In early summer 2007, Capitol Hill was provided with the most comprehensive review of Department of Defense acquisition structures and workforce undertaken since the early 1990s. The Defense Acquisition Structures and Capabilities Review (DASCR), or Section 814 Study, owes its name to section 814 of the fiscal year 2006 National Defense Authorization Act. In section 814, Congress directed that the Defense Acquisition University, acting under the authority of the undersecretary of defense for acquisition, technology and logistics, undertake this far-ranging review of DoD’s acquisition capabilities.

The Section 814 Study was a broad-based task at the outset, as Congress directed that no proverbial stone be left unturned in examining the structures and capabilities of each military department, defense agency, and any other element of the Department of Defense with an acquisition function.

The study was led by DAU President Frank Anderson, who served as the review team director; and the dean of DAU’s southern region campus, Jim McCullough, who served as the review team lead. The team consisted of a diverse group of experts from across the country, drawing on all the DAU regional campuses; the DAU headquarters staff and directorates; select contractor support; and key acquisition leaders, including Ken Krieg, the then-USD(AT&L), and Jim Finley, the deputy under secretary of defense for acquisition and technology.

Keying in on the congressional language and keenly aware of the results of recently published defense acquisition reports—such as the February 2006 “Defense Science Board Summer Study on Transformation,” the January 2006 “Defense Acquisition Performance Assessment,” and the July 2005 “Beyond Goldwater-Nichols: Phase 2 Report”—the Section 814 Study team decided early on to focus the study on two critical areas: the organizational structure of the DoD components’ acquisition elements and the AT&L workforce itself.

Collecting the Information
A comprehensive survey instrument, designed to baseline the study’s data set, was drafted by the study team and sent out to 63 separate service acquisition organizations, 17 different defense agencies and defense field activities, and the two combatant commands with acquisition authorities—U.S. Special Operations Command and U.S. Joint Forces Command. Additionally, the study team interviewed some 46 defense acquisition executives and key leaders in the defense, industry, and academic arenas; reviewed more than 150 relevant documents, books, and reports; and looked at the state of DoD acquisition outcomes over the past quarter-century.

Survey responses were used to prepare separate draft annexes for the major study participants, as directed by...
the congressional language, and served as the baseline for a conference and workshop sponsored by DAU that assisted participants in finalizing their inputs.

Throughout the almost 24-month study effort, Anderson and McCullough met continuously with key DoD leaders and key congressional staff members to ensure that the study was aligned with congressional expectations and DoD guidance. As might be expected, new insights were gained from these interchanges, and this information, along with the results of the interviews with defense acquisition executives, served as the study’s rudder to keep the entire effort on course and also served as substantiation in the development of findings and recommendations.

Insights into Organizational Changes
Simply stated, DoD acquisition organizations are continuously evolving to better accomplish their acquisition missions. Therefore, it is not surprising that the Section 814 Study found that organizational changes, taken in isolation, did not appear to have either a positive or negative impact on achieving favorable acquisition outcomes. Favorable acquisition outcomes for the purposes of the study were defined in terms of delivering a capability to the warfighter that functioned as required and was delivered on time and within budget. It must be noted that the study found that organizational change is not enough to offset other shortcomings.

Another interesting Section 814 Study finding—one that perhaps merits further attention—is that most organizations, when embarking upon either wholesale or limited structural change, did not employ metrics to either quantify the projected benefits or to measure the actual results of their organizational transformations.

Lastly, the study found that joint acquisition programs have problems with cost, schedule, and performance similar to single-service programs, but they are amplified by the multi-service and multi-agency environment.

Key Organizational Changes
Here, briefly, is what the Section 814 Study found to be the most significant organizational changes over the past 25 years in the DoD acquisition structures:

- The establishment in the mid-1980s of what is now the position of the under secretary of defense for acquisition, technology and logistics, also known as the defense acquisition executive.

- The creation of program executive officers, which establishes a structure that eliminates duplicative reporting chains and requires PEOs to report directly to their Service acquisition executive. The PEO system has been adopted by non-traditional acquisition organizations outside the military departments, i.e., combatant commands and defense agencies.

- The Service chiefs continue to wield considerable influence over the shaping of their respective acquisition arms—prioritizing and approving operational requirements; building their Service program objective memorandums; and, in most cases, staffing and equipping program management offices.

The 2001 designation of the Air Force as the DoD Executive Agent for Space, which came with broad responsibilities for the national security space enterprise, including serving as acquisition executive for space-related programs.

Focus and Benefits of Organizational Change
The primary focus of and benefits derived from most organizational changes were to improve the management structure and business processes and to increase efficiency. Variations in organizational structure can often be attributed to the nature of the acquisition (i.e., a weapons system, an information management system, or support services). The military departments have used reorganizations to create better visibility; improve communications; and strengthen alignment among the requirements community, the acquisition community, and the warfighters.

Beyond the Organization
Looking beyond the organization and more closely at the workforce itself, the questions surrounding the acquisition workforce—is it large enough and is it trained properly—often arise. Almost every major acquisition improvement study reviewed by the Section 814 Study team concluded in some fashion or another that more attention needs to be paid to acquisition workforce quantity and quality. DoD agrees wholeheartedly with this workforce improvement assertion. Current versions of the AT&L Human Capital Strategic Plan and the DoD Civilian Human Capital Strategic Plan both address the issues of acquisition workforce capabilities and shortfalls.

Total Force Construct
Both the 2006 Quadrennial Defense Review and the DoD Civilian Human Capital Strategic Plan call for managing the workforce using what is called the Total Force Construct. Consisting of both active and reserve military members, civilians, and support contractors, the Total Force Construct is a focus of the strategic plan for the Office of the Under Secretary of Defense for Personnel and Readiness. One of the stated goals of the USD(P&R) is to develop the right mix of people and skills through seamless integration of all the component pieces of the total force to capitalize on their respective strengths.

Support Contractors
Though the support contractor workforce fills shortfalls and covers gaps in acquisition organization capabilities, this specialized workforce is neither counted as nor trained or managed as part of the DoD acquisition workforce. The provisions of the Defense Acquisition Workforce Improvement Act do not require acquisition support contractors to meet the training, education, and experience of their government counterparts. Individual acquisition organizations in DoD are responsible for making effective use of the support contractors they employ—a responsibility that presupposes an understanding of how contractors are to be employed to best support the government acquisition workforce.

As a follow-on effort to the Section 814 Study, DoD has requested support contractor data from its acquisition components to analyze trends and further improve strategic workforce planning. What is not clear is whether the commercial market can continue to supply experienced, specialized support contractors to acquisition organizations. The available pool of qualified support contractors is largely dependent upon military and civilian acquisition workforce retirees choosing to seek second careers as contractors.

The Data Green Initiative
Obtaining and updating accurate information about the overall acquisition workforce is both a DoD-specific and a government-wide issue. An AT&L initiative known as AT&L Data Green has begun to address this issue. Data Green is already improving the reliability, analysis, and transparency of workforce information by updating and standardizing data requirements, creating a centralized data repository, and establishing a repeatable process for data-driven workforce analysis.

A Snapshot of Today’s Acquisition Workforce
Maintaining a high-performing, agile, and ethical workforce is the USD(AT&L)’s top priority. The Section 814 Study team reviewed what the current acquisition workforce looks like and found the following:

- The AT&L workforce is the most experienced in DoD. Fifty percent of the AT&L civilian workforce has more than 20 years of experience, compared with approximately 40 percent of the DoD general schedule workforce.
- The AT&L workforce is highly educated, with 74 percent of civilians having bachelor’s or advanced degrees. Eighty percent of new hires during the past five years had bachelor’s or advanced degrees.
- Certification level is a workforce quality indicator. Today, 75 percent of the individuals filling critical positions are certified, while 65 percent meet or exceed position-level requirements. Sixty-six percent of the AT&L workforce is certified, and 50 percent meet or exceed their position level requirements.
- The Baby Boomer generation comprises 71 percent and 76 percent of the DoD and the AT&L civilian
workforce respectively. DoD faces challenges related to mitigating the pending departure of highly experienced and seasoned talent.

- The Army has an acquisition workforce of 45,443, while the Navy has 40,651, and the Air Force has 25,075. These workforces vary widely in terms of their composition, and most use support contractors to assist in the accomplishment of the acquisition mission.

- Support contractor personnel are an integral part of the DoD total force construct. Efforts are currently ongoing to identify, define, and track support contractor personnel.

- Key leadership positions are being identified throughout the AT&L enterprise and will support fiscal year 2007 National Defense Authorization Act Section 820 implementation, which requires that DoD military members and civilians fill critical acquisition positions.

- Access to current, accurate, and complete workforce data is a critical success factor for improved human capital management. While significant progress is being made under the ongoing AT&L workforce Data Green initiative, continued emphasis and focus is required.

- Increased funding will be needed to meet evolving and increasing training requirements for the test and evaluation community, contingency contracting, requirements training, and to improve certification levels for all acquisition career fields throughout the AT&L enterprise. Today, the need to increase funding for acquisition training is viewed as a critical priority.

**Section 814 Study Recommendations**

The combined information gathered from surveys, interviews, and prior studies formed the foundation of this study. This foundation enabled the Section 814 Study team to identify organizational and workforce strengths and deficiencies and, from that, derive findings and develop the following recommendations to the AT&L workforce:

1. Develop strategic, data-driven, workforce-shaping objectives.
2. Improve workforce data quality.
3. Revalidate and improve current training, certification, education, and qualification standards.
4. Fully develop and deploy a strategy to implement an employee value proposition initiative.
5. Establish a student or intern program.
6. Work with the DoD comptroller to establish standard and consistent training and certification standards for individuals outside the acquisition organizations who perform acquisition-related budget functions.
8. Mitigate the impact of departing talent, especially engineering, scientific, and technical experts, from the AT&L workforce.
9. Increase funding levels for acquisition training.

**Experience and Education**

The AT&L workforce is a highly experienced and highly educated workforce. Maintaining these workforce qualities is a top priority of DoD, and multiple human capital initiatives are in place to address areas of concern. Some areas require improvement, such as ensuring that employees meet the DA WIA certification requirement for their assigned positions. High-quality workforce information that is current, accurate, and complete is crucial to effective human capital management, and the AT&L Data Green initiative addresses this need. Support contractors augment the overall AT&L workforce, and there is room for improvement in identifying and managing the support contractor part of the Total Force Construct.


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