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ACQUISITION MANAGEMENT

Waivers to Workforce Training, Education, and Experience Requirements





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National Security and
International Affairs Division

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The Honorable Strom Thurmond
Chairman,
The Honorable Sam Nunn
Ranking Minority Member
Committee on Armed Services
United States Senate

The Honorable Floyd Spence
Chairman,
The Honorable Ronald Dellums
Ranking Minority Member
Committee on National Security
House of Representatives

To address long-standing criticisms of the Department of Defense's (DOD) management of acquisition programs, Congress enacted the Defense Acquisition Workforce Improvement Act (10 U.S.C. 1701 et seq.) on November 5, 1990. The act was intended to professionalize DOD's acquisition workforce by establishing education, training, and experience requirements that were to take effect over a 3-year period, beginning October 1991.

The act permits DOD officials to waive specific qualification requirements if (1) unusual circumstances justify the waiver or (2) the individual's qualifications obviate the need for meeting the requirements. It also requires that, through 1998, our office annually report on DOD's compliance with the act's waiver provisions. This is our fourth waiver report.¹ We have also reported on DOD's overall implementation of the act.²

In conjunction with the waivers, we also obtained information on DOD's use of fulfillments as authorized by an amendment to the act. Fulfillments enable individuals to receive credit when they already have the required competencies instead of taking training courses.

¹Defense Management: Implementation of the Defense Acquisition Workforce Improvement Act (GAO/NSIAD-92-97, Jan. 31, 1992); Acquisition Management: Waivers to Acquisition Workforce Training, Education, and Experience Requirements (GAO/NSIAD-93-128, Mar. 30, 1993); and DOD Acquisition: Fiscal Year 1993 Waivers to Acquisition Workforce Requirements (GAO/NSIAD-94-92, Feb. 16, 1994).

²Acquisition Management: Implementation of the Defense Acquisition Workforce Improvement Act (GAO/NSIAD-93-129, Apr. 26, 1993).

Background

The quality and professionalism of DOD's acquisition workforce has been an issue for over 30 years. In 1986, the President's Blue Ribbon Commission on Defense Management (the Packard Commission) described the DOD acquisition workforce as "undertrained, underpaid, and inexperienced." In July 1989, DOD's Defense Management Review reported many of the same problems and recommended a series of specific management initiatives to improve the acquisition process and more effectively manage DOD resources.

The Defense Acquisition Workforce Improvement Act requires the Secretary of Defense to establish an acquisition workforce with specific experience, education, and training qualifications. Specific provisions of the act require the Secretary of Defense to (1) establish a management structure along with policies and regulations for implementing the act's provisions, (2) establish qualification requirements, (3) provide training and education to meet these requirements, and (4) enhance civilian opportunities to progress to senior acquisition positions.

Fiscal year 1994 was the first year that all the act's provisions were in effect. The effective dates for DOD's implementation of the act's qualification requirements are staggered from October 1, 1991, through October 1, 1993.

No later than October 1, 1991, newly appointed program managers of major³ and significant nonmajor defense acquisition programs were to

- complete the program management course⁴ (or a comparable course);
- possess acquisition experience, at least 8 years for major defense acquisition programs (2 of which are in a systems program office or similar organization), and at least 6 years for significant nonmajor programs; and
- agree to a tenure requirement that they remain in their position until they complete the first major milestone closest in time to the date they have

³A "major defense acquisition program" is defined to include a DOD acquisition program that is not highly sensitive or classified and whose research and development cost is expected to exceed \$300 million in fiscal year 1990 dollars or whose procurement cost is expected to exceed \$1.8 billion in fiscal year 1990 dollars. Significant nonmajor defense acquisition programs are other programs that are estimated to require eventual total expenditures (based on constant fiscal year 1980 dollars) of more than (1) \$75 million in research, development, test and evaluation or (2) \$300 million for procurement for a major system.

⁴The program management course is 20 weeks in length and is DOD's primary defense acquisition course. Taught at the Defense Systems Management College at Fort Belvoir, Va., this DOD-wide course addresses a variety of acquisition issues, including policy, financial, technical, life-cycle, and contract management. The Naval Post-Graduate School has been designated as an equivalent for purposes of meeting the program management course requirements.

served 4 years (3 years for program managers of significant nonmajor defense acquisition programs) and sign a written agreement to remain on active duty (or federal service) during the period.

Beginning October 1, 1992, deputy program managers must have 6 years of acquisition experience and, along with program executive officers, have completed the program management course. In addition, before being assigned as a program executive officer and before general and flag officers and civilian equivalents are assigned to a critical acquisition position, they must have 10 years experience in acquisition positions. Four years of this experience must have been in a critical acquisition position. Senior contracting officials must have 4 years experience in contracting in order to fill a critical position in contracting.

Beginning October 1, 1993, contracting officers must have (1) completed all mandatory contracting courses; (2) gained at least 2 years of contracting experience; and (3) received a baccalaureate degree with at least 24 semester hours in business disciplines, or passed an equivalency examination along with additional requirements established by the Secretary of Defense.

Each service was also required to establish an acquisition corps consisting of senior civilian and military personnel who meet specific education, experience, and training requirements. An individual must be a member of the acquisition corps to be appointed to a critical acquisition position. According to the act, individuals in critical acquisition positions as of October 1, 1993, who did not meet corps position requirements were required to (1) meet those requirements within 6 months, (2) be given a waiver, or (3) be removed from the position. If an individual occupying a critical position does not meet the act's education, training, or experience requirements after a 6-month grace period, the service must either "grandfather"⁵ the individual or issue a waiver.

The act also requires the services to establish a management information system capable of providing standardized information on acquisition positions and the training, education, and experience of individuals filling them. The services are to use the systems to monitor various acquisition workforce personnel actions to ensure compliance with the act's requirements. DOD estimates that about 114,000 acquisition positions are subject to the training, education, and experience requirements of the act.

⁵The act excepts acquisition workforce employees having at least 10 years of acquisition experience as of October 1, 1991.

The National Defense Authorization Act for Fiscal Year 1993 authorized the use of fulfillment standards as a substitute to the act's training requirements. The Secretary of Defense developed fulfillment standards in January 1993 to include a formal process for determining whether an individual has demonstrated competence in the areas of the mandatory training courses. The fulfillment standards are effective retroactively to November 5, 1990, and cease to be in effect on October 1, 1997.

Results in Brief

During fiscal year 1994, the military services and DOD agencies granted a total of 63 waivers (50 from the military services and 13 from DOD agencies) to 59 individuals not meeting the education, training, and experience requirements of the act. Fiscal year 1994 was the first time defense agencies reported granting waivers. Of the waivers granted,

- 44 were for military personnel,
- 20 were for program managers and deputy program managers,
- 18 were for individuals in critical acquisition positions,
- 13 were for program managers or deputy program managers not meeting tenure requirements, and
- 10 were for contracting officers.

No waivers were granted for the act's program management course requirement for program and deputy program managers.

The Air Force is requiring individuals already occupying critical acquisition positions to meet the act's training, education, and experience requirements. Instead of grandfathering those already in critical positions, the Air Force has issued temporary waivers to 177 individuals not meeting the act's requirements. These temporary waivers are different from the other waivers in that they are set to expire in 17 months. Since the temporary waivers were granted, 75 of the individuals have met the requirements. The other services are grandfathering individuals already occupying critical positions. The services did not have detailed data on personnel being grandfathered.

Waivers Approved

During fiscal year 1994, the military services and DOD agencies granted a total of 63 waivers to 59 individuals not meeting the requirements. Most were program managers and deputy program managers; and, as in 1993, the majority of the waivers were granted to military personnel, seven of whom were general officers. Ten waivers were granted to contracting

officials and 18 waivers were given to individuals occupying critical acquisition positions. Defense agencies granted waivers for the first time in fiscal year 1994. Table 1 summarizes the waivers approved by each service.

Table 1: Summary of Waivers Approved for Fiscal Year 1994

| Reason for waiver | Army | Navy | Air Force | Defense agencies | Total |
|------------------------|-----------|-----------|-----------|------------------|-----------|
| Acquisition experience | 5 | 5 | 2 | 0 | 12 |
| Tenure | 5 | 2 | 16 | 0 | 23 |
| Acquisition corps | 1 | 3 | 4 | 10 | 18 |
| Contracting officials | 0 | 7 | 0 | 3 | 10 |
| Total | 11 | 17 | 22 | 13 | 63 |

Table 2 compares waivers granted in fiscal year 1994 with fiscal years 1992 and 1993. It shows that waivers for acquisition experience and tenure both increased, while waivers for the program management course declined to zero. In fiscal years 1992 and 1993, the program management course requirement accounted for 70 percent and 33 percent of the waivers, respectively. The decline is due, in part, to (1) the new fulfillment standards published by DOD, (2) increases in courses available to meet the requirements, and (3) a reduced backlog of personnel requiring the course. The table also shows waivers to acquisition corps and contracting officer requirements that took effect in October 1993.

Table 2: Waivers Approved Between Fiscal Years 1992 and 1994

| Reason why waiver was needed | FY92 | FY93 | FY94 |
|--|-----------------|------|------|
| Lack of acquisition experience | 22 | 4 | 12 |
| Did not have program management course | 23 ^a | 10 | 0 |
| Did not fulfill tenure | 3 | 16 | 23 |
| Did not meet corps acquisition requirements ^b | • | • | 18 |
| Did not meet requirements for contracting positions ^b | • | • | 10 |

^aThe 22 individuals receiving waivers for acquisition experience also received waivers for the program management course.

^bThis requirement was not in effect in fiscal years 1992 and 1993.

Acquisition Experience Waived

Five Army waivers, five Navy waivers, and two Air Force waivers were granted to individuals who lacked the required acquisition experience. All 12 waivers were given to military officers, 5 of whom were general officers (4 in the Army and 1 in the Air Force). The number of acquisition experience waivers has varied considerably from year to year; from 67 percent (22 of 33) in fiscal year 1992, to only 13 percent (4 of 30) in fiscal year 1993, to 19 percent (12 of 63) in fiscal year 1994.

In fiscal year 1992, we noted that the Army waived requirements for individuals who had no acquisition experience at all or who lacked several years of acquisition experience. In 1994, the Army waived acquisition experience requirements for officers who lacked, on average, 3.9 years of experience necessary to meet the requirements of the act. The Air Force waived requirements for two individuals and the Navy waived requirements for four individuals needing an average of 4 and 2.7 years of acquisition experience, respectively.

Tenure Waived

Twenty-three waivers were granted to individuals who failed to fulfill the tenure requirements. Like prior years, the majority of the tenure waivers were for reassignment. For example, in fiscal year 1993, 50 percent (8 of 16) of the tenure waivers were for individuals being reassigned and in fiscal year 1994, 74 percent (17 of 23) of the waivers were for individuals being reassigned. Of these, 12 of the 17 individuals are Air Force personnel. Five of the tenure waivers in fiscal year 1994 were for individuals retiring before completing their required term, same as in fiscal year 1993. One of the tenure waivers was for a promotion.

Acquisition Corps Requirements Waived

Eighteen individuals not meeting the applicable education, experience, and/or certification requirements received waivers because they were already in critical positions. The Air Force approved only four of these waivers. However, they also approved numerous temporary waivers for essentially the same reason.

The Air Force is requiring individuals occupying critical acquisition positions to join its acquisition corps and meet the act's training, education, and experience requirements. Consequently, it needed to identify all Air Force personnel in critical acquisition positions who were not certified as meeting the requirements. Using its management information system, the Air Force identified 177 such individuals (91 military and 86 civilians). On December 23, 1993, the Air Force granted

these individuals temporary waivers with an expiration date of March 1, 1995. Since the Air Force issued this list of individuals not meeting the corps requirements, 75 individuals have met those requirements, 46 individuals are no longer occupying a critical acquisition position, and 56 individuals are still on the list. They have until March 1, 1995, to meet the qualification requirements. In contrast, the Army and the Navy did not issue temporary waivers, preferring the options of (1) permanent waivers and (2) grandfathering individuals occupying critical acquisition positions.

Contracting Positions Requirements

In general, the act's requirements for contracting officers in acquisition positions include (1) completion of mandatory contracting courses, (2) at least 2 years of contracting experience, and (3) a baccalaureate degree or at least 24 semester credit hours in specific disciplines. In fiscal year 1994, 10 individuals received waivers for such training, experience, and education standards. In all cases, these individuals had not completed the required education and/or experience.

Fulfillments

Fulfillment means that the training requirement has been satisfied through other means, such as experience. Individuals seeking fulfillment approval must submit fulfillment packages to the authorized approval authority. Each service has established its own fulfillment policies and procedures, which vary considerably.

DOD officials believe that, generally, fulfilling the act's requirements through alternative means is more desirable than waiving the act's requirements. In fiscal year 1994, four fulfillments were approved for the program management course—all for Army personnel.

DOD's Office of the Director of Acquisition Education, Training, and Career Development is not required to track fulfillments, but does so for two courses: the Program Management 301 Course and the Information Resources Management 302 Course. DOD officials believe that tracking such statutory requirements improves general oversight and has allowed them to appropriately influence the services' implementation of the act's provisions.

Agency Comments

We provided DOD acquisition officials a draft of this report and we discussed the report results with officials from the Army, the Navy, the Air Force, and the Office of the Secretary of Defense. The officials generally concurred with the information in this report.

Scope and Methodology

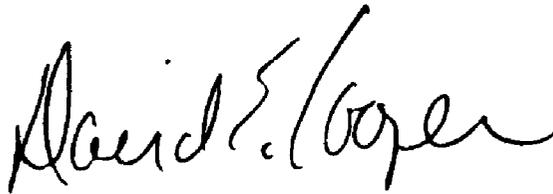
Our review covered the Departments of the Army, the Navy, and the Air Force; the Office of the Secretary of Defense; and the other DOD agencies. We obtained the fiscal year 1994 waiver documentation and fulfillments for the program management and the information resource management courses from the Office of the Director, Acquisition Education, Training, and Career Development Policy within the Office of the Secretary of Defense. For those waivers submitted and approved, we assessed the justification for the waivers using criteria contained in the act; DOD Instruction 5000.52, Defense Acquisition Education, Training, and Career Development Program, dated October 25, 1991; and the Under Secretary of Defense's October 25, 1991, policy memorandum, which was superseded by DOD Instruction 5000.58, "Defense Acquisition Workforce," dated January 14, 1992.

The services' and defense agencies' management information systems cannot readily identify and report on all acquisition personnel that do not meet the act's training, education, and experience requirements. However, the Director, Acquisition Education, Training, and Career Development Policy stated that they closely track acquisition corps waivers. We did not independently assess the accuracy of data in DOD's management information systems.

We performed our review between August and December 1994 in accordance with generally accepted government auditing standards.

We are sending copies of this report to the Secretaries of Defense, the Army, the Navy, and the Air Force and to other interested congressional committees. We will also make copies available to others upon request.

Please contact me at (202) 512-4587 if you or your staff have any questions concerning this report. Appendix I lists the major contributors to this report.

A handwritten signature in black ink that reads "David E. Cooper". The signature is written in a cursive style with a large, prominent "D" and "C".

David E. Cooper
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