

STATEMENT OF THE HONORABLE JEFFREY D. ZIENTS
DEPUTY DIRECTOR FOR MANAGEMENT
OFFICE OF MANAGEMENT AND BUDGET
BEFORE THE
SUBCOMMITTEE ON OVERSIGHT OF GOVERNMENT MANAGEMENT,
THE FEDERAL WORKFORCE AND THE DISTRICT OF COLUMBIA
COMMITTEE ON HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS
UNITED STATES SENATE
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Chairman Akaka, Senator Voinovich, and Members of the Subcommittee, I am pleased to appear before you today to discuss the Administration's commitment to strengthening the federal acquisition workforce. As the Deputy Director for Management at the Office of Management and Budget (OMB) and the nation's Chief Performance Officer, it is my responsibility to lead efforts that improve the performance of government. This includes providing for a strong and well-equipped acquisition workforce – this resource is the backbone of our acquisition system. The quality of their skills and judgment is inextricably tied to whether we achieve the best results from the more than \$500 billion in contracting agencies undertake to meet the needs of our taxpayers.

In his March 4, 2009, Memorandum on Government Contracting, the President called on agencies, with guidance from OMB, to eliminate waste and maximize the value achieved from their contracts. To implement this mandate, OMB has directed agencies to develop aggressive savings plans and take other steps to reduce costs, manage risk, and improve contract performance. OMB's guidance outlines a series of actions for improving acquisition outcomes, such as increasing competition and improving the management of cost-reimbursement contracts for requirements where fixed-price contracting will not likely be effective. In each instance, success will depend on the capability and capacity of the acquisition workforce. Competition

cannot be increased unless the agency's acquisition personnel can write clear requirements and conduct good market research. Similarly, an agency cannot successfully manage the risks associated with cost-reimbursement contracting without a wide range of acquisition skills including contract financing, cost and price analysis, and program management.

This Administration's commitment to better contracting and its support of the acquisition workforce are focused in three broad areas:

- 1) Strengthening strategic acquisition workforce planning - good planning is the foundation for promoting effective and efficient acquisitions,
- 2) Improving training and development – OMB's Office of Federal Procurement Policy (OFPP) establishes federal acquisition certification policies for civilian agencies so that training and development programs respond to the most pressing development needs, and
- 3) Increasing recruitment and retention – OFPP is partnering with the Office of Personnel Management (OPM) and the Federal Acquisition Intern Coalition (FAIC) to continually improve recruitment and retention strategies for the acquisition workforce.

Let me talk about each of these briefly and the steps we are and will be taking to support this critical workforce.

Strengthening Strategic Acquisition Workforce Planning

Despite some advancements, acquisition workforce planning remains largely a tactical exercise rather than a strategic process. Agencies focus on filling vacancies rather than developing longer-term plans that project future needs and provide for succession planning. Workforce development activities are generally targeted to the contracting community and insufficient attention is placed on the needs of the broader acquisition workforce, including the

program managers whom we rely on for developing clear requirements and the contracting officer technical representatives who are critical to strong contract management.

We need a more deliberative planning effort that identifies what competencies are needed, where they should be applied, and how the talent should be developed. We have not historically provided meaningful support for helping agencies align their workforce needs with their acquisition profiles, which vary significantly. Congress recognized this shortcoming when it called for an Acquisition Workforce Development Strategic Plan for civilian agencies.

OFPP is leading this effort to provide a more strategic framework for developing the workforce. We are analyzing data about agency spending, reviewing workforce statistics and competency information, and working with members of the community to develop an actionable plan for the development needs of the acquisition workforce at the entry, mid, and senior levels. This plan, to be completed in October, will identify near term recruitment and development needs, recommend changes to our certification programs, and address the planning process that will be required to sustain these efforts. Additionally, we recognize that the needs of the workforce are not static, so will establish a more robust, on-going process for civilian agencies and OFPP to use in evaluating progress as we improve our workforce development efforts.

Improved workforce planning is also a component of the President's March 4th memorandum. OMB has directed agencies to develop aggressive acquisition savings plans to reduce cost, mitigate risk, and improve agency performance. Agencies will need to consider if the size, skill-level, and organizational structure of their acquisition workforce are sufficient to achieve their goals. OFPP is working with agencies to make certain that they have addressed how their workforce profiles align with their savings plans to meet this challenge.

As this Committee recognizes, improving strategic workforce planning requires dedicated leadership and attention. I commit to working with the Administrator of General Services to fill the position of the Associate Administrator for Acquisition Workforce Programs as quickly as possible as recommended in section 855 of the National Defense Authorization Act of 2008. This person will support OMB's Administrator for Federal Procurement Policy in leading more strategic, more coordinated workforce planning efforts so that we can better prepare the workforce for the challenges ahead.

Improving Training and Development

Agencies now have better access to tools and information that allow them to target training and development efforts. The 2008 competencies survey supported by the Chief Acquisition Officers Council and the Federal Acquisition Institute (FAI) provides practical information about the proficiencies of contracting officers and, for the first time, program managers and contracting officer technical representatives. OFPP's federal acquisition certification programs provide a framework for measuring and managing the achievement of core competencies in contracting and program management through training and experience.

OMB's July 29, 2009, guidance on improving government acquisition requires that agencies consider targeting training to meet their specific needs. As agencies develop a better understanding of their workforce profiles through their workforce planning efforts and acquisition savings planning process, they will invest more strategically in training and development opportunities. For example, if an agency uses high-risk acquisition practices, such as cost-reimbursement contracting, their workforce must be specifically trained in cost-price analysis to mitigate the government's risk.

As we invest in our training, we also need to improve the quality of our assessment tools so that we can better evaluate the impact workforce development efforts have on improving our ability to meet cost, schedule, and performance goals. OFPP is focusing on developing these tools.

Increasing Recruitment and Retention

Meeting the President's challenge to improve contracting highlights the importance of recruiting new talent and retaining existing expertise. The acquisition workforce grew by 4.5% government wide in 2008 and this growth was facilitated by the joint efforts of the FAIC and OPM to simplify recruitment of entry-level contracting professionals. A plain language, streamlined job announcement with no lengthy essay requirements is now being used to collect applications centrally for use by all agencies. We will expand the use of this model to attract mid-level contracting professionals.

Our efforts to simplify hiring are being reinforced by the recent hiring reform initiatives led by OPM. Clearer job announcements, better communication, and more involvement by hiring managers make government service more attractive and accessible to top talent. Only through these efforts can we make transformational changes to our recruitment process.

In 2008, fewer people left the contracting community than in the previous five years. While this trend is headed in the right direction, we must focus on developing a stronger retention strategy that seeks to reduce turnover of both new and experienced personnel. Through initiatives that bring interns and other new hires across the government together, such as those managed by the FAIC to build a stronger community, we can broaden employees' exposure to

the government's many important missions. These efforts improve cross-agency communications and facilitate the sharing of best practices.

Members of the acquisition workforce are among the most professional and dedicated civil servants in the federal government today. Through the Acquisition Excellence Awards program, OFPP and the Chief Acquisition Officers Council work together each year to recognize achievements that have contributed to increasing agency performance through better acquisition. Through this and other awards program, we can only acknowledge a few outstanding contributions, so we are working with agencies to expand the number and reach of our collective recognition efforts.

Federal Hiring Reform

You have asked for my views on how the Federal Hiring Process Improvement Act of 2009 (S.736) may impact the federal acquisition workforce. First, I would like to thank the committee members, and in particular recognize Senators Akaka and Voinovich, for their longstanding commitment to the workforce. Improving the federal hiring process is a principle strongly supported by the Administration as the foundation for attracting top talent government wide, and we share your interest in making significant improvements.

OPM is leading the government's hiring reform with strong support from OMB, and agencies are currently implementing initiatives that closely mirror many of those proposed in S.736. For example, agencies are now involved in specific activities to strengthen hiring practices, such as improving the timeliness of the hiring process and streamlining job announcements. While we support the intent of this legislation, we are concerned about mandating processes in legislation where innovative and more flexible solutions could be

achieved through administrative means and focused leadership. We expect agencies to make significant progress in hiring reform, and look forward to working with OPM on this important effort.

Conclusion

A skilled and capable acquisition workforce is essential to improving performance through better acquisition practices. Over the last several years, OFPP and its partner agencies have taken a number of noteworthy actions to strengthen the acquisition workforce in civilian agencies, but we need to take more affirmative steps. I intend to direct the Administrator for Federal Procurement Policy to lead a stronger, more strategic approach to achieving better government performance.

The Administration is committed to building the capacity and capability of the acquisition workforce, and I look forward to working with this committee as we build on our progress. I am happy to answer any questions you may have.