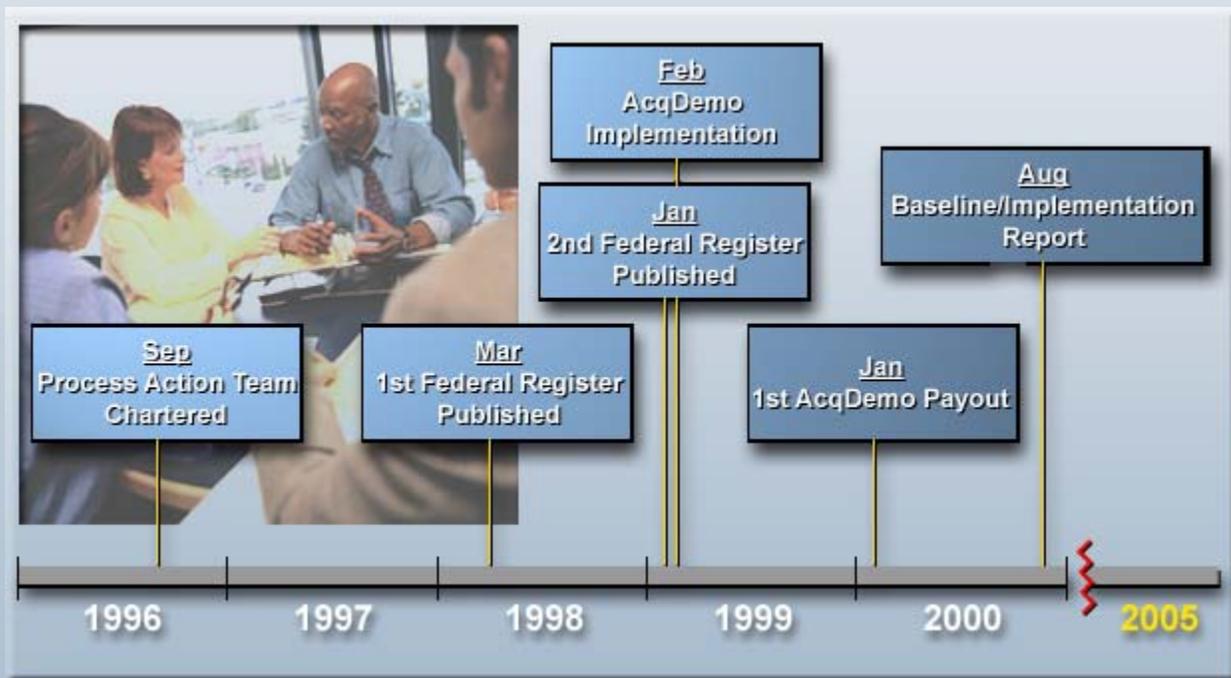


Baseline/Implementation Report

Delivery Order: DABT65-00-F-0109

DOD Civilian Acquisition Workforce Personnel Demonstration Project

Executive Summary



Prepared for:

OSD/AcqDemo PO
2001 N. Beauregard Street
Suite 750
Alexandria, VA 23211



Prepared by:

Cubic Applications, Inc.
1901 N. Beauregard Street
Suite 100
Alexandria, VA 22311

EXECUTIVE SUMMARY

Overview

This evaluation report focuses on the DOD Civilian Acquisition Workforce Personnel Demonstration Project (AcqDemo) after the first year of its operation. Following guidance from the Office of Personnel Management's (OPM) *Demonstration Projects Evaluation Handbook*, this assessment examines baseline preparations, metrics, and data, as well as the accuracy and completeness of implementation by participating organizations.

OPM requires a Baseline/Implementation Report “no later than 18 months after project implementation.” The assessment is to contain “project information and data through the first 12 months of the project.” The report is also to serve “as a public record of early project activities and the reference point upon which later comparisons will be made” when assessing the project’s effects. The main demands on the evaluation are to ensure sufficiency and reliability in the measures and data collected; that is, the data collected must be “sufficiently complete, accurate, and consistent to be useful in decisionmaking” (GAO GGD-96-118, June 1996). Sufficiency, reliability, and reasonableness have been the guiding principles in selecting measures, data sources, collection methods, and indicators for assessing the project’s accomplishments and shortcomings.

With OPM’s review and approval, this current assessment meets the statutory requirements for “Results Evaluation,” per 5 CFR 470.317(b), as well as the needs of acquisition workforce senior leadership. In parallel, OPM’s Office of Merit Systems Oversight and Effectiveness will continue to ensure operational compliance with merit system principles, in accordance with 5 CFR 470.317(a).

This report describes the start of the demonstration, the project’s first steps, and the early indicators of where AcqDemo is headed in accomplishing its main goals. Based on the OPM-approved *Evaluation Plan* (July 1999) for AcqDemo, the Program Office and Cubic Applications, Inc. (CAI) have fashioned and articulated a set of interlocking metrics for AcqDemo. The metrics are designed to trace and connect employee contributions to the mission and organizational outputs, as well as track intermediate outcomes from the eleven personnel interventions at the heart of the AcqDemo project. The assessment also examines those outcomes in relation to the accomplishment of the project’s principal goals. See Section D-1-14 to 16.

In summary, our judgment is that AcqDemo initiatives have been implemented accurately and completely, with some problem areas requiring additional attention.

The Baseline

The purpose of the DOD Civilian Acquisition Workforce Personnel Demonstration Project is to demonstrate that a flexible and responsive personnel system will enhance DOD's ability to attract, motivate, and retain a high quality acquisition workforce. To accomplish this purpose, AcqDemo includes eleven innovative interventions in the civilian personnel system and requires a conceptual shift in thinking from performance and outputs to contributions and mission results. These changes in the culture of work take time to be folded confidently into the appraisal processes (e.g., self-assessments and pay pool panel deliberations), personnel actions (e.g., broadbanding and simplified classification), and pay adjustments (Contribution Based Compensation Appraisal System—CCAS). The direct connection of pay to the appraisal of contributions is a significant change for the acquisition workforce to handle and to accept.

This report ties the metrics for assessing the success of the eleven personnel interventions to the four principal goals of the program. For each goal, there are quantifiable measures that will help us track performance over time against the program objectives and thresholds set by acquisition policy leaders.

We have gathered and collated baseline information for this report from the participating Components and the Program Office, from automated personnel databases, and from contractor analyses. Calls for information from the Components have been tied to a gridwork of research questions that crosswalk to the personnel interventions. Data sources, among others, include an attitude survey (conducted by OPM in mid 1998); Workforce Data (1998 Baseline and 1999 AcqDemo); Focus Groups (12 conducted by CAI before August 1, 2000); Structured Interviews (2 conducted by CAI before July 1, 2000); Expert Observation (Program Office (PO) and CAI); Site Historian Reports; Personnel Office Data (Evaluation Working Group—EWG); Implementation Report Data from the Components and Program Office; Cost Data from Components and Program Office; and CCAS Database and Analysis (SRA International).

As part of the baseline, we have also described the major efforts by the Components, the Process Action Team, the Executive Council, the Program Office, and the Project Manager to create the policies, procedures, documentation, software, and training needed to start AcqDemo. Between September 1996 and February 1999, preparations included the original concept paper, November and December 1996; the first and second *Federal Register* notices on AcqDemo (1998 and 1999); the *Operating Procedures* (1999); substantial training of employees, supervisors, and data maintainers by the Program Office and the Components; and work on automated software tools to assist the AcqDemo operation.

The *Evaluation Plan*, approved in July 1999 by OPM, sets out models, measures, data sources, and methodologies for assessing the intermediate and ultimate results of AcqDemo. The current report describes the evaluation metrics, the gathering of data, and the assessment process that will be followed over the next four years.

Initial Implementation

In order to implement the demonstration, Components must convert employees to the new system and must clarify procedures to be followed in executing the approved variations from laws and regulations. By this definition, AcqDemo has been fully implemented. At the same time, however, Components have not yet taken full advantage of each of the personnel interventions.

All Components have either adopted or supplemented the procedures developed by the AcqDemo Program Office. All the affected and eligible employees have been converted to the broadbanding system. The employees have been placed on the Position Requirements Documents (PRDs) under AcqDemo's simplified classification system, and participants are being evaluated under the Contribution-based Compensation and Appraisal System. Marine Corps, Army, Air Force, and Navy personnel were converted in February and March 1999, and they received their first pay adjustment under CCAS in January 2000. There were a total of 4701 participants in the first CCAS cycle. USD (AT&L) employees were converted in October 1999 and will be included in the next CCAS cycle. In the judgment of the Components, there was no notable impact due to staggered implementation. (See Section E-1-3 below for additional comments.)

Based on written reports from all Components, our judgment is that organizations participating in AcqDemo have implemented the project accurately and completely, with some organizations taking fuller advantage than others of the flexibility offered in the project. During the first cycle, most attention was placed on CCAS, as well as on the related broadbanding and simplified classification interventions. However, nearly all of the other interventions have been implemented to some degree. Now that CCAS is solidly in place, participating organizations are focusing additional attention on the interventions beyond CCAS in this project.

AcqDemo's implementation has not been without difficulty for some participants. Just as in the China Lake demonstration almost twenty years ago, it will take time to build favorable responses to AcqDemo among some employees. On the whole and based principally on Focus Group feedback, supervisors in some locations appear more favorably inclined to the demonstration project than employees do; at other locations, enthusiasm for the interventions is shared by both. The Program Office has taken the initiative, with direction in March 2000 from senior leaders in the acquisition community, to strengthen the effectiveness of supervisors in counseling and training employees about AcqDemo and its personnel processes. The Program Office has also focused additional attention on the execution of the personnel interventions.

Preliminary Findings and Recommendations

Although it is premature to discern trends in the evaluation of AcqDemo, let alone derive any valid conclusions about intermediate and ultimate results, there are nonetheless some early findings and a number of recommendations for the improvement of AcqDemo operations. The report delineates these findings and recommendations based on 1998 pre-demonstration data and 1999 AcqDemo information gathered from many sources. Some of the recommendations flow from Executive Council and Program Office experience with the project during the first year; some derive from the findings of this report; others result from guidance provided by senior

leaders of the DOD acquisition community during the March 2000 program review as well as by OPM; and still others reflect the suggestions and comments of supervisors, managers, and employees participating in the demonstration project.

The report describes initiatives and makes recommendations in the following areas: Project Management, AcqDemo Operations, Training, Evaluation, and Project Expansion. See Section E, Chapter 2 for a discussion of the initiatives and recommendations.

Structure of the Baseline/Implementation Report

This report is in three volumes:

Volume I of the Baseline/Implementation Report that follows this executive summary has five sections. Section A describes the background of AcqDemo, the demographics of the participants, and the interventions, along with the development of policies and procedures leading to implementation. Section B delineates preparations for AcqDemo, including training; describes implementation by the Components; shows the degree of implementation for all the interventions; examines areas such as the development of software and the application of information technologies for the project; and looks at efforts to engage national and local employee unions in AcqDemo. Section C examines evaluation planning, including the proposed models, the assessment methodologies, data sources and collection, cost data, and organizational effectiveness. Section D provides baseline data from the major assessment tools, including CCAS results from the first cycle. Section E provides preliminary findings and recommendations.

Volume II of the report includes the raw information for the attitude survey, the workforce data, CCAS, the cost data, and Personnel Office data.

Volume III contains the major documents of the AcqDemo project, including the *Federal Register* notices, the *Operating Procedures*, charters, concept papers, training packages, and other materials of interest to those involved in establishing demonstration projects.

Final Comment

We are confident that this Baseline/Implementation Report has established a solid basis for a well-grounded evaluation of the demonstration project over the next four years. Over time, we will be better able to see the trend lines, measure the results of the personnel interventions, assess the accomplishment of project goals, and help senior leaders of the acquisition community evaluate the overall costs and benefits. With detailed data and evaluations in hand, senior acquisition officials will have the evidence and projections to make informed judgments and recommendations about potential expansion of AcqDemo within DOD and about its possible adoption elsewhere in the federal government.