

ACQDEMO PROGRAM EVALUATION REPORT

This report describes the status of the evaluation effort for the DoD Civilian Acquisition Workforce Personnel Demonstration Project (AcqDemo) and identifies areas for improvement, as required by legislation.

June 2024

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Program Evaluation Report (2023)
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Using FY 2022 Data

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Executive Summary

This report describes the AcqDemo program evaluation effort for Fiscal Year 2022. A major portion of the evaluation effort is to collect data from sources such as surveys, rating cycle results, and the Defense Civilian Personnel Data System (DCPDS). Each year, AcqDemo conducts analyses of the data and produces reports such as a pay increase cost study (AcqDemo Cost Study), trends in workforce demographics (Workforce Trends Report), and a summary of ratings, pay increases, and awards (End of Cycle Analysis Report). Major sections and findings in this report are:

- A description of the data sources for the report to illustrate the extent and variety of the inputs used in this evaluation.
- An overview of the AcqDemo population, which has significantly grown over the years to 53,120 (*based on rating cycle data*) by 30 September 2022. Additionally, that section presents workforce trends for percentage of supervisors in the population as well as gains and losses each year, percentage of the population by gender, and other demographic trends.
- Data on the results of the major flexibilities of AcqDemo: simplified position classification, broad banding, and pay for contribution show that the three are working as planned in driving contribution to the mission, pay based on contribution to the mission, simplified position management, and loss rates linked to contribution.
- Federal Employee Viewpoint Survey (FEVS) data for 2022 shows that AcqDemo employee positive responses increased from 2021 to 2022 for 32 of the 40 items common to both surveys.
- For both the Employee Engagement Index and the Global Satisfaction Index, AcqDemo positive responses were 8% greater than All DoD.
- The cost study section shows that pay costs are under control confirming AcqDemo's success at cost discipline. AcqDemo's new hire costs are in the expected range given the goal to be more competitive in hiring.
- The new flexibilities tables in Section 7.0 indicate a slow start in the use of new flexibilities to match GS career ladder promotions and use of supervisory differential. The use of AcqDemo-only direct hire authorities is increasing.
- The OUSD P&R NDAA 2019 Section 1106 report to Congress for 2023, using 2022 data, shows that AcqDemo compares well to the STRL demos and DPMAP.
- The DoD Acquisition community recognizes that AcqDemo meets its needs and is choosing to convert to it as indicated by an AcqDemo population increase of 4% in 2022.

The report concludes with a summary and list of recommended follow-up actions.

1.0 Introduction

Program evaluation of AcqDemo is required by legislation:

- Federal Register (Federal Register/Vol. 82, No. 216/Thursday, November 9, 2017, pp. 52104-52172)
- NDAA 2019 Section 1106, which requires annual reporting on several measures by AcqDemo and DoD’s Science and Technology Reinvention Laboratories (STRs) with personnel demonstration projects.

1.1 Purpose

The purpose of this report is to describe the status of the evaluation effort for the DoD Civilian Acquisition Workforce Personnel Demonstration Project (AcqDemo) and to identify areas for improvement, as required by legislation.

1.2 Overview

This document is organized into several sections, including Data Sources; Population; Broadbanding, Simplified Classification, and Contribution-based Compensation and Appraisal System; Federal Employee Viewpoint Survey; Costs Studies; New Flexibilities; OUSD Annual Report for NDAA 2018 Section 1106; and Summary and Follow-up Actions.

1.3 Data Sources

Data Sources
FY22 Workforce Trends Report
FY22 Cycle Results Briefing
FY22 FEVS Summary
FY22 Cost Study
AcqDemo Quarterly Metrics Dashboard: FY22
OUSD P&R NDAA 2019 1106 Report: FY22 Data

Table 1: Evaluation Data Sources

Table 1 lists the sources of data for evaluating AcqDemo for FY 2022. Using these data, the sections below include a description of the AcqDemo population as of 30 September 2022, which was the end of the 24th cycle. These data sources are described below:

FY22 Workforce Trends Report: This annual report presents various demographics of the AcqDemo population over the 24-cycle history, mostly in the form of graphics and tables. The graphics show results for gains, losses, and the current population. Charts include overall population, breakout by career path, average age, average time-in-service, percent supervisor, percent with targeted disabilities, percent veteran, percent female, percent minority. They also show a breakout by education level, base pay, and Acquisition Workforce status.

FY22 Cycle Results Briefing: The briefing shows the results of the 2022 rating cycle to include a description of the population, the number of pay pools by component, and the funding and targets for Contribution Rating Increases (CRI) and Contribution Awards (CA) by pay pool or component. The report also presents results for ratings, basic pay increases, contribution awards, and carryover awards (resulting from disallowed pay increase due to hitting a pay cap or control point).

FY22 Federal Employee Viewpoint Survey (FEVS): The OPM FEVS is an organizational climate survey administered to the federal workforce to provide agencies a snapshot of how their employees view their current work environment and help inform future agency action. There were forty (40) questions in common with the 2021 survey. A full census was used with AcqDemo having a 26% response rate. For 2022, AcqDemo and Science and Technology Reinvention Laboratory (STRL) data were removed from All DoD to make the comparison be AcqDemo vs DPMAP. Ten Agency Specific Items were included for DoD.

FY22 Cost Study: The study reports results of modeling the pay increases that AcqDemo employees would have received if they had remained in GS compared to their actual pay increases. The briefing also includes results from modeling the new hire pay AcqDemo employees would have received if they had been hired into a GS position compared to their actual new hire pay for AcqDemo. Results are also compared to similar studies for several of the STRL demonstration projects.

FY22 AcqDemo Metrics Dashboards: The quarterly dashboard is a one-page collection of statistics displayed in numerous graphs on the AcqDemo population, hiring activity, losses, promotions, AcqDemo website usage, training activity, and a population distribution map by component. This dashboard is updated quarterly, where some of the charts show activity by quarter over the year. The annual dashboard displays year-end summary metrics for population characteristics, Contribution-based Compensation and Appraisal System (CCAS) results, FEVS indices, and pay pool counts, along with notable highlights for the year.

OUSD P&R NDAA 2019 Section 1106 Report: Fall 2023: NDAA 2019 Section 1106 specifies an annual report for Congress from all federal agencies that have personnel demonstration projects. For DoD, OUSD P&R assembles and submits the report. The report includes FY 22 data to develop metrics for AcqDemo, the STRL demos, and DPMAP, where the metrics are displayed for comparison. AcqDemo fills in a data template provided by P&R to submit AcqDemo metrics.

2.0 Population Section

In FY 2022, AcqDemo completed its 24th year with about 53,120 employees in 310 pay pools. Note that for the evaluation effort we have three sources of data snapshots of the AcqDemo population, where each of the three has a different set of variables for each employee. The choice of data source for a given evaluation effort is based on the available variables and the timing of the data source.

Three Data Sources: The count in the FY22 Cycle Results briefing is based on data from DCPDS for people in the CAS2Net tables as of 30 September 2022, where the count is 53,120. The count used in the quarterly dashboard work is based on 30 September data in the Defense Civilian Personnel Advisory Service (DCPAS) Corporate Management Information System (CMIS) and is 53,320 to 53,334 depending on how many people have missing data for each dashboard item. Note that CMIS is built by DoD from DCPDS but there is a delay in the data synchronization process. The count used in the Workforce Trends report is based on the special extract of DCPDS data received by AcqDemo at the end of each pay period. The extract closest to 30 September 2021 is the one used. It turned out to be the 11 October 2021 extract with a count of 53,258.

Figure 1 shows that the AcqDemo population has more than tripled since the return from NSPS in 2011 as acquisition organizations recognize the advantages of AcqDemo over the GS system.

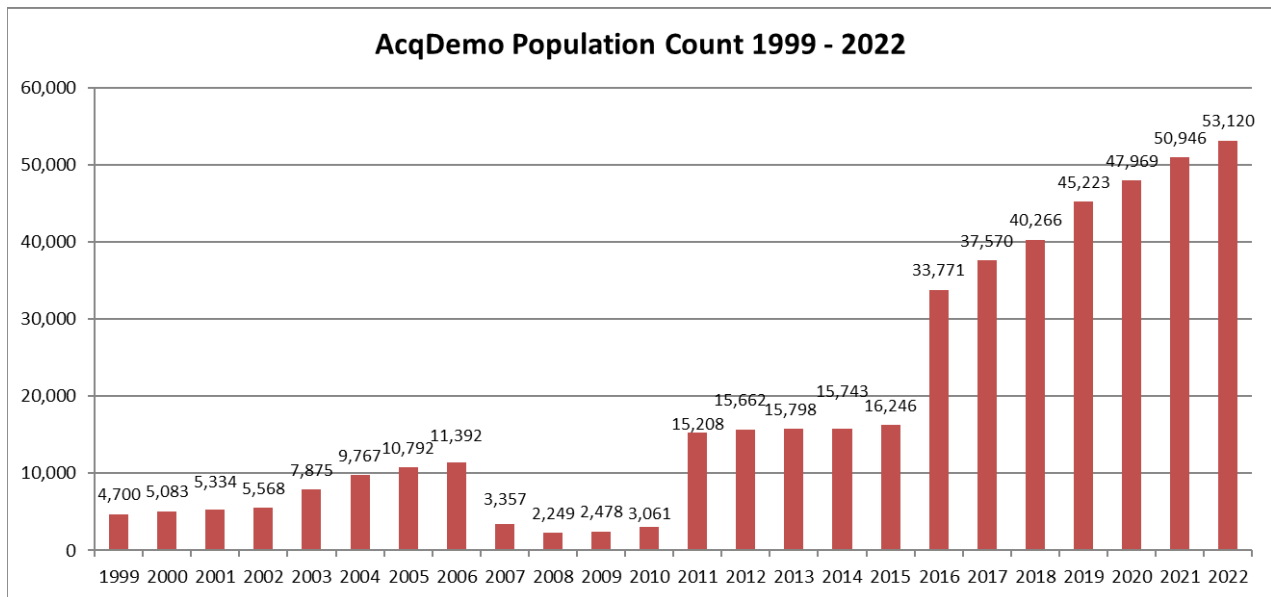


Figure 1: AcqDemo Population Count 1999-2022

Figures 2 and 3 show the location of the AcqDemo population by component, as a heat map and as a table reference for the map.

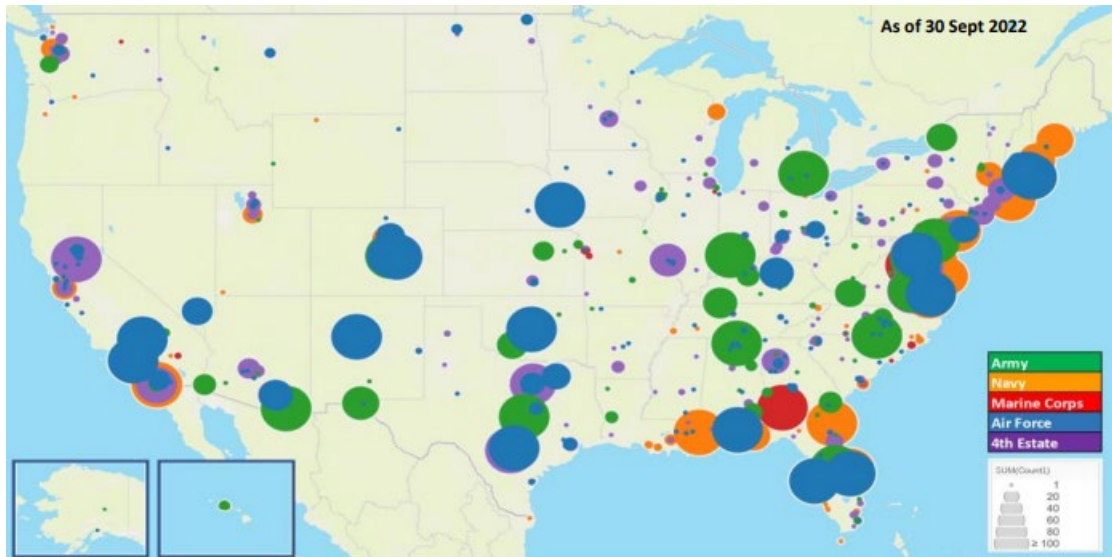


Figure 2: AcqDemo Population Heat Map

AcqDemo Pop: 30 Sep 2022			
Component	USA	Overseas	Total
Army	13,472	181	13,653
Navy	7,633	26	7,659
Marine Corps	1,847	2	1,849
Air Force	23,654	135	23,789
4th Estate	6,326	58	6,384
AcqDemo Total	52,932	402	53,334

Figure 3: AcqDemo Population Counts by Component and Location

The Workforce Trends Report includes various breakouts of the population. Several are shown below. Figure 4 shows the population counts by career path, where the NH career path now accounts for 96.2% of the AcqDemo Population.

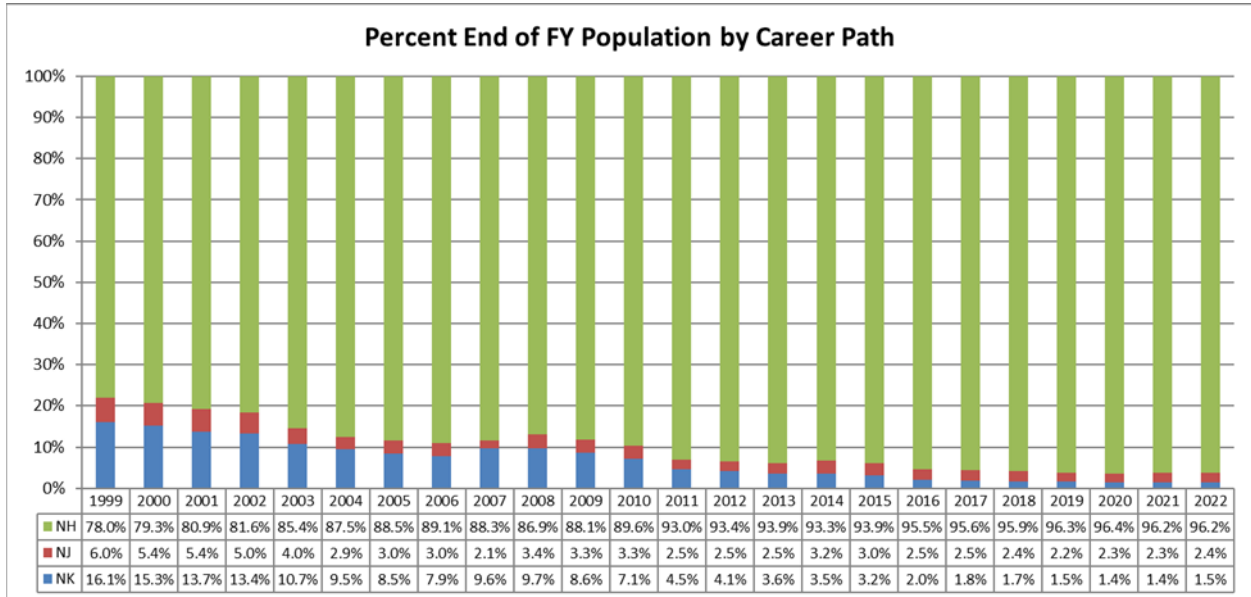


Figure 4: AcqDemo Population by Career Path

Figure 5 shows the percentage of the AcqDemo population that is part of the Acquisition Workforce, which results from the requirement that for an organization to join AcqDemo, at least one-third of population must be part of the Acquisition Workforce (AW) and at least two-thirds must be either part of the AW or must provide direct support to the AW. Recent growth in the AcqDemo population has reduced the percentage in the AW to 67.2%. Across all DoD white collar civilian employees, 16% of the population was AW-certified in FY22, with 25% (37,203 out of 147,761) in AcqDemo.

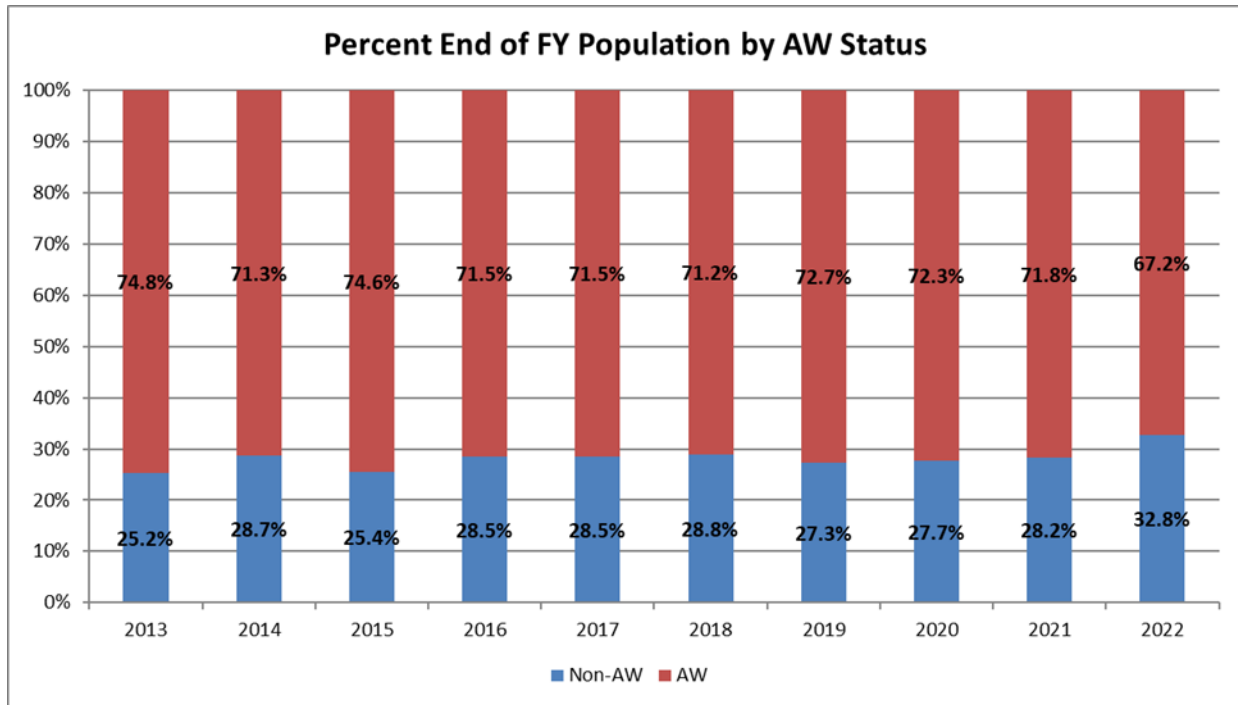


Figure 5: AcqDemo Population by AW Status

Figure 6 shows the percentage of the AcqDemo population that are supervisors. Two important observations about this figure are that the percentage of supervisors is greater than the GS/DPMAP percentage because many AcqDemo organizations were unable to get their bargaining units to join AcqDemo. The second observation is that from 2007 to 2010 most supervisors were converted to the National Security Personnel Systems (NSPS), but returned in 2011, when NSPS was shut down.

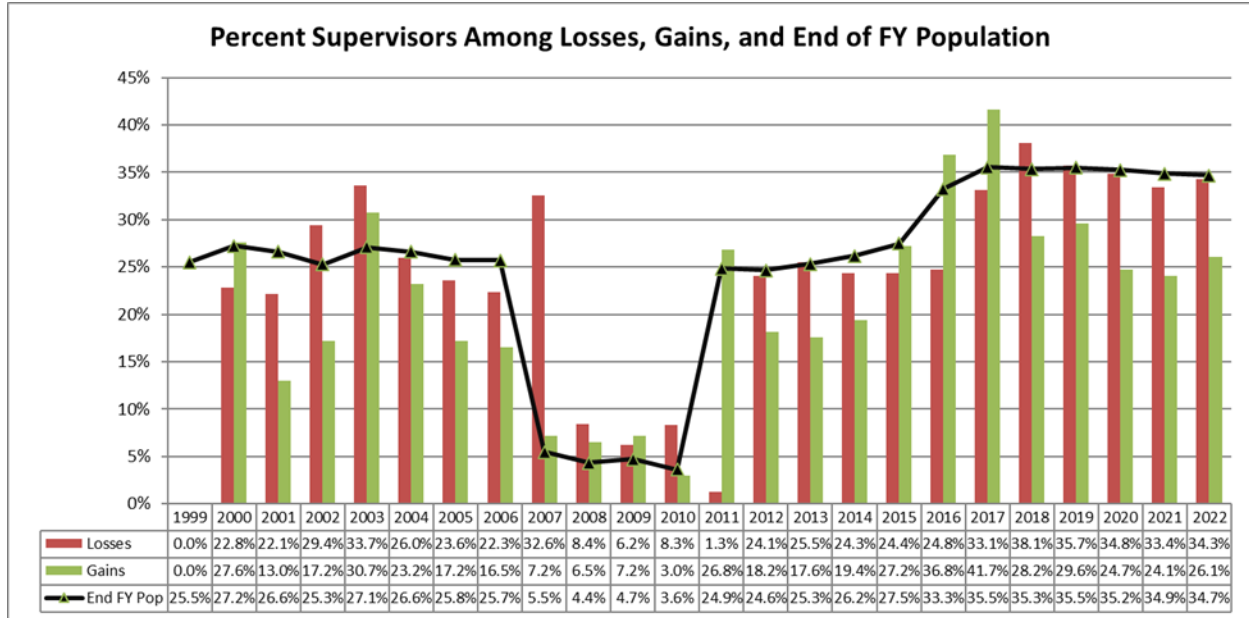


Figure 6: Percent Supervisors in Gains/Losses 1999-2022

The Workforce Trend Report also includes charts showing the diversity of the AcqDemo population. Figure 7 shows that the administrative career path, NK, has the largest percentage of female employees. As the AcqDemo population has grown over the years, the percentage of the population that is NK has declined (see Figure 4), leading to a decline in the percentage of the population that is female.

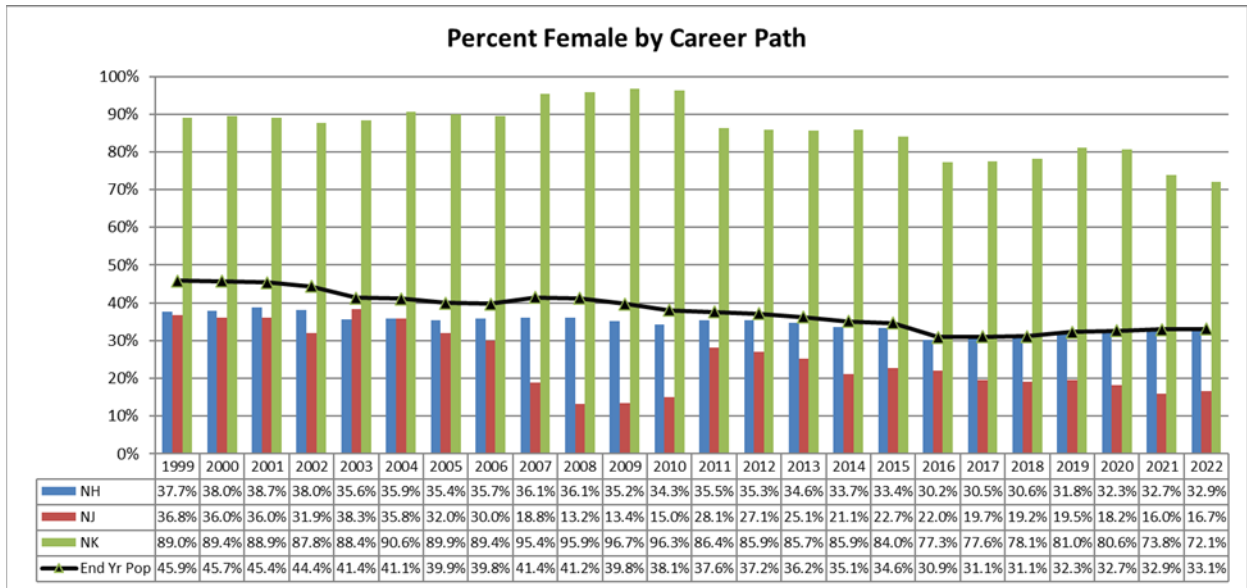


Figure 7: Percent Female by Career Path

Except for the NSPS years, the percentage of the population that is minority has remained about the same, near 25%, as shown in Figure 8.

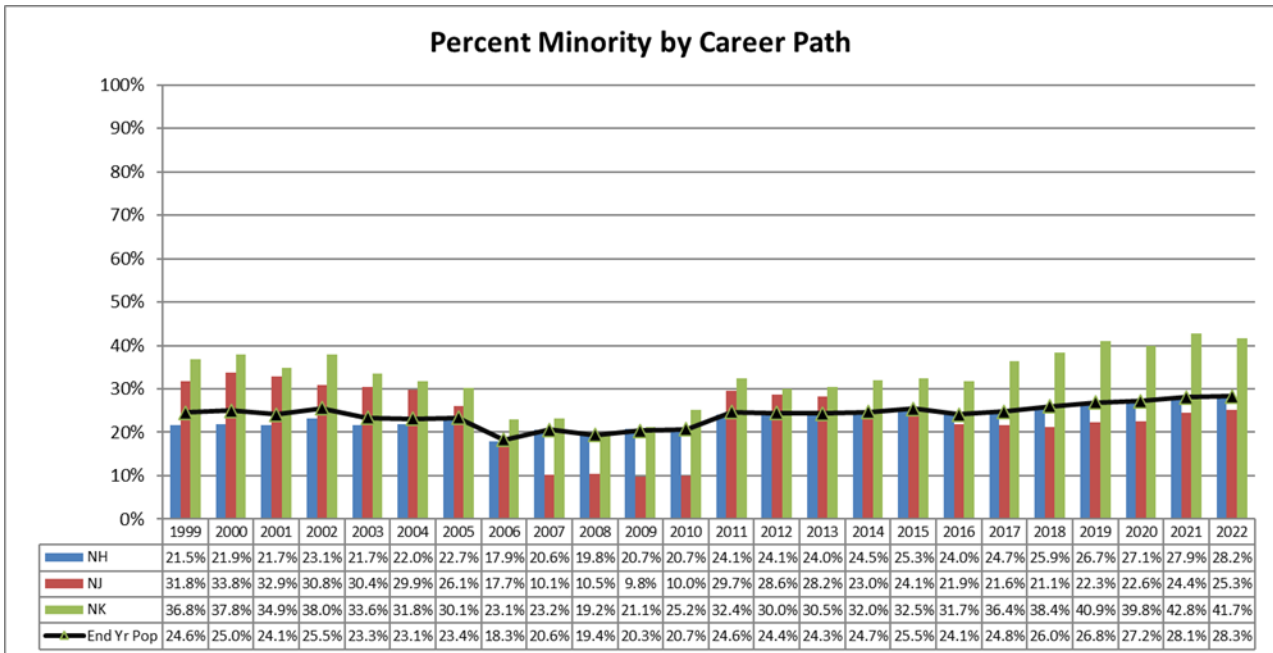


Figure 8: Percent Minority by Career Path

Figure 9 shows that losses tend to have higher pay than gains except in unusual years such as 2011, which saw the return of supervisors to AcqDemo from NSPS. This helps keep OCS the same over time as shown in Figure 10.

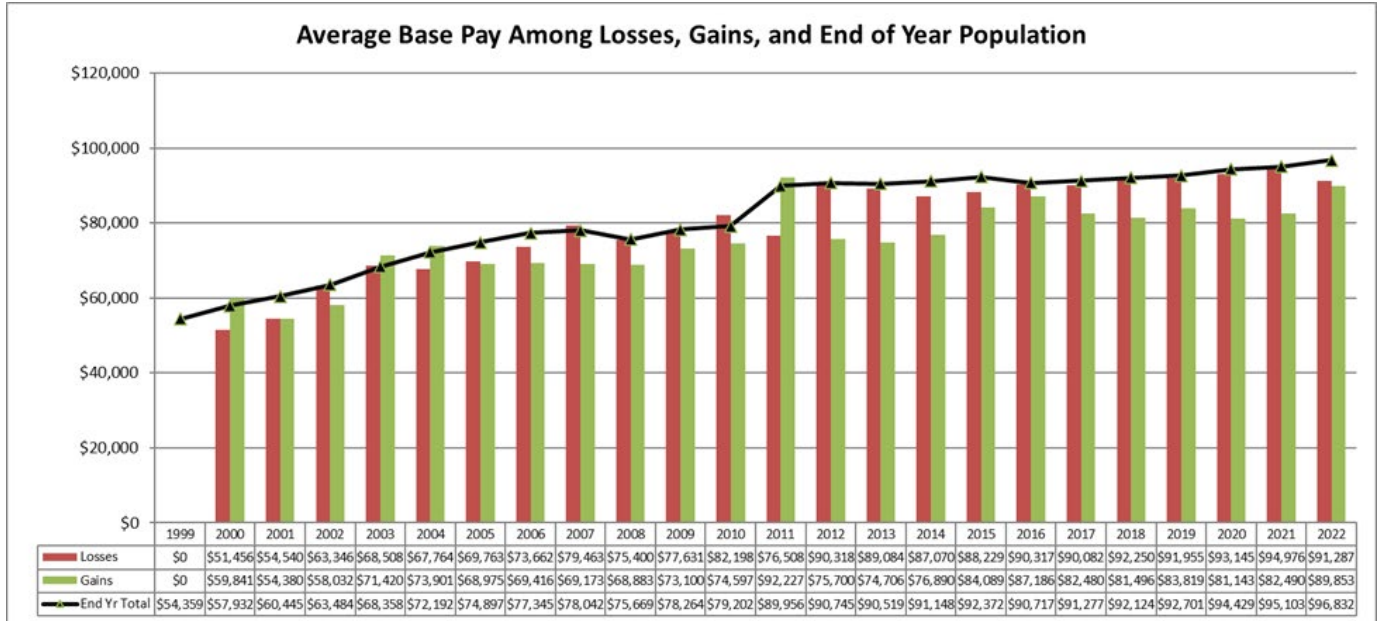


Figure 9: Average Base Pay Among Losses, Gains, and Total End of Year Population

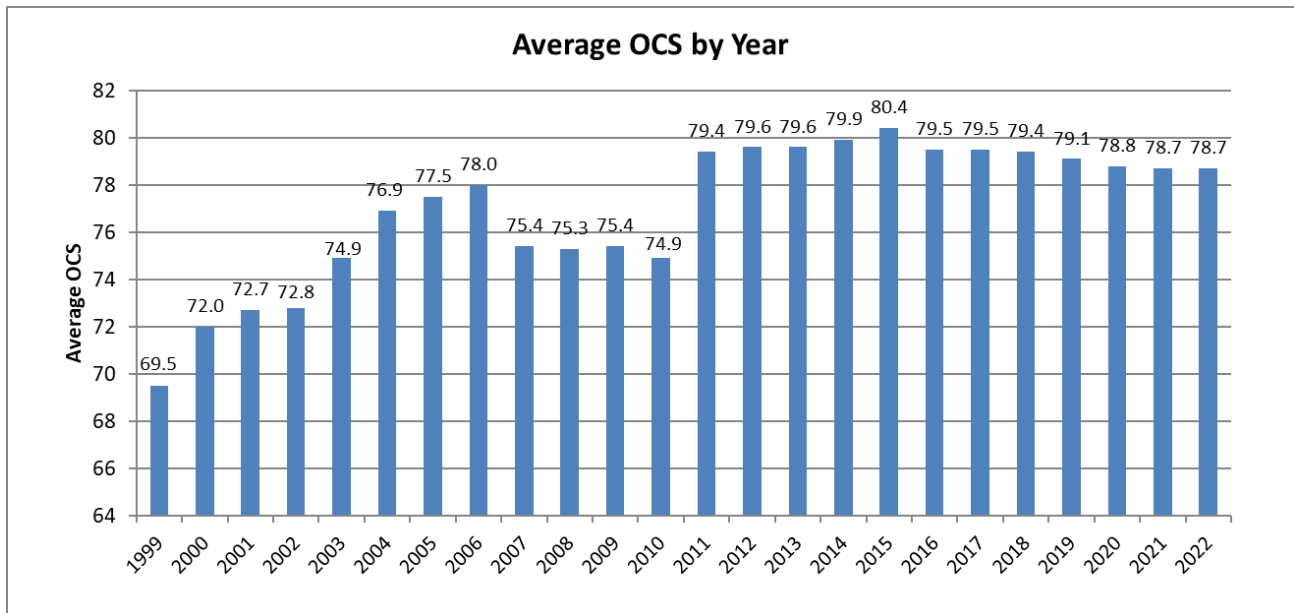


Figure 10: Average OCS by Year

3.0 Broadbanding, Simplified Classification, Contribution-based Compensation & Appraisal System (CCAS) Section

Broadbanding, simplified classification, and CCAS are the main features of AcqDemo and are designed to pay employees for their contribution to the mission, which is determined through a Standard Pay Line (SPL) that links base pay to Overall Contribution Score (OCS) based on ratings on three factors: (1) Communication and/or Teamwork (2) Job Achievement and/or Innovation, (3) Mission Support. Broadbanding consolidates levels of work into three or four groups of GS grades, depending on career path.

AcqDemo’s simplified job classification system differs from the OPM classification system by utilizing only three factor levels (listed above) instead of the nine evaluation factors commonly used in the OPM Classification Standards. Thus, creating a Position Requirements Document (PRD) for an AcqDemo position is simpler than creating a Position Description (PD) for a GS position. The objectives in developing the new PRD are to: (a) simplify the descriptions and the preparation process through automation; (b) provide more flexibility in work assignments; and (c) provide a more useful tool for other functions of personnel management, e.g., recruitment, assessment of contribution, employee development, and reduction in force. PRDs are typically shorter than the PDs due to three factors vs nine factors and more general descriptions of duties and responsibilities compared to PDs.

Figure 11 displays a scatterplot of overall contribution score and basic pay for employees rated in the 2022 cycle. For most of the 310 pay pools in 2022, the middle blue line (the standard pay line) is the target for basic pay, where for Army and a few other organizations the upper rail is the target. Employees who plot above the upper rail (red line) usually receive no increase in base pay. Employees who plot on or below the upper rail receive the General Pay Increase. Rules for receiving a contribution rating increase (CRI) in pay depend on target and plot position versus the rails. Contribution Awards (CA) are based on CA target. Anyone who plots below the target receives CA. Table 2 shows the number of pay pools using each target.

Table 2: Targets for CRI and CA

Component	2022 Targets - Full Pop					
	CRI		CA			
	SPL	Upper Rail	SPL	SPL +1%	SPL +2%	Upper Rail
Army		77				77
Navy	54			11		43
Marine Corps	6					6
Air Force	130					130
4th Estate	42	1	1	1	6	35
AcqDemo	232	78	1	12	6	291

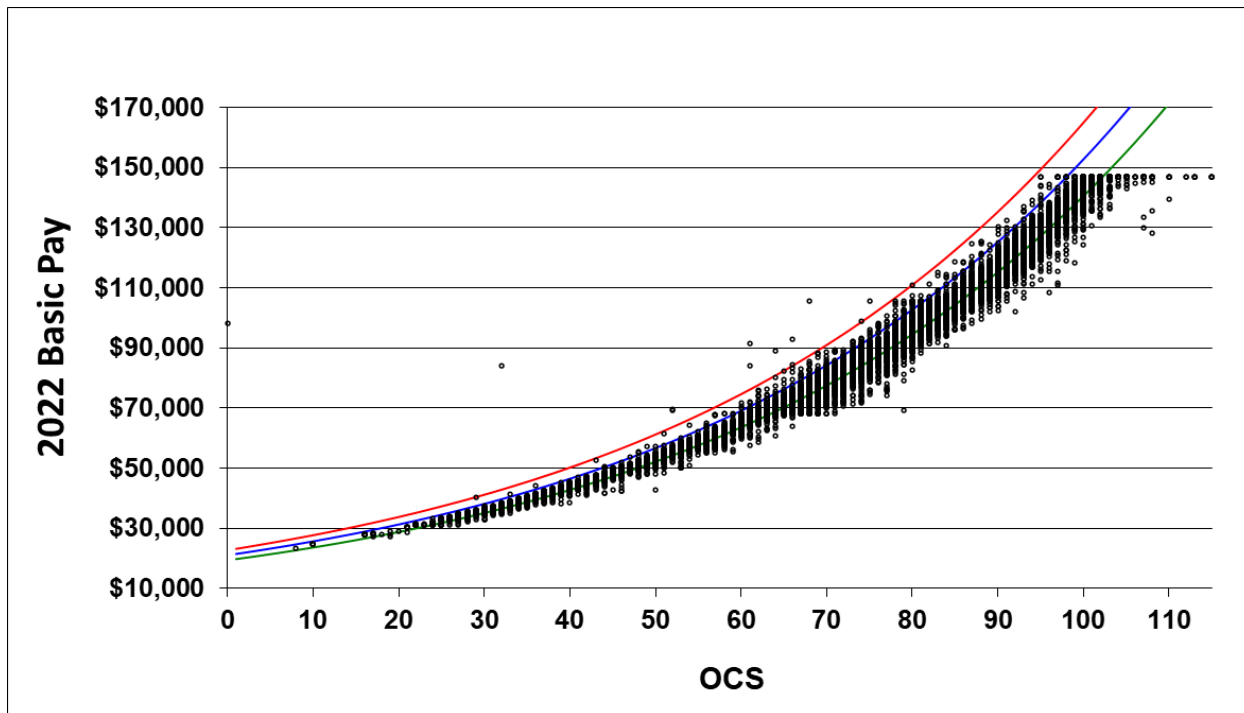


Figure 11: Scatterplot for 2022

Pay increases are linked to target pay associated with the OCS the employee receives for the rating cycle compared to their current pay. Figure 12 shows that 97% of the employees are now in the appropriately compensated region (Region C), which is defined as the area on or between the Upper Rail and the Lower Rail, which are respectively 8% above and below the SPL. Thus, over the years, the policy of increasing or freezing pay to match the target pay through CCAS has worked to appropriately pay employees for their contribution. The checkered part of the green bar represents employees who hit the maximum pay for their broadband. Depending on the policy of the pay pool, these employees may receive a carryover bonus for the dollar amount above the maximum.

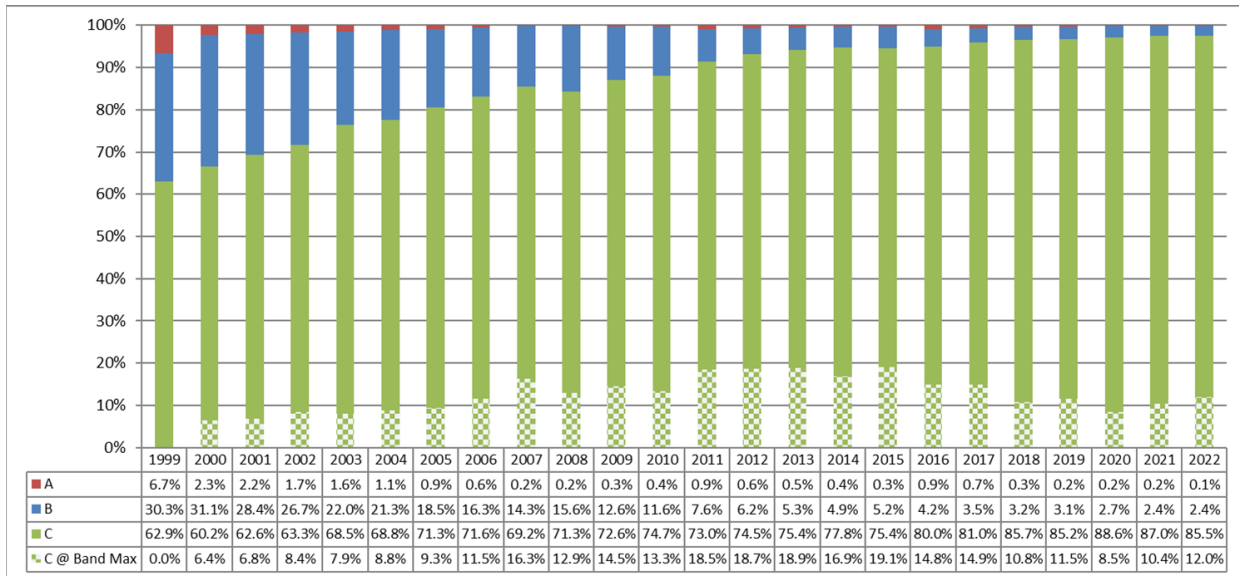


Figure 12: Percent Population by Rail Region

Figure 13 shows the count and percent of pay pools by chosen CRI funding amounts in percentage of the sum of the base pay of the employees in the pay pool.

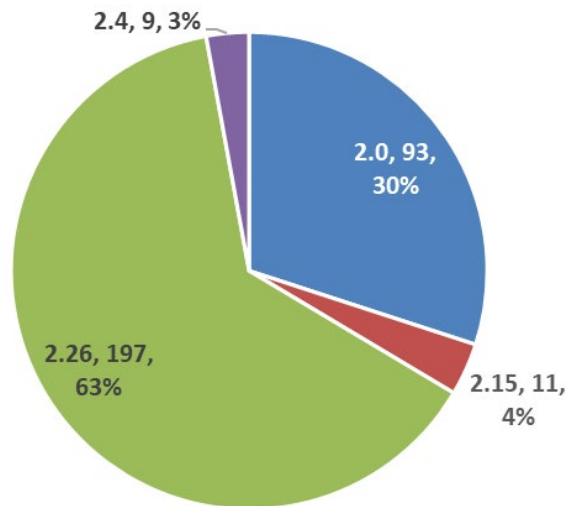


Figure 13: Funding for CRI – Pay Pool Count and %

The various choices for CA funding are shown in Figure 14, including number and percent of pay pools choosing each. The CA funding is the percent of the sum of adjusted base pay (base pay plus locality pay) of the employees in the pay pool. No more than 90% of the CA funding can be paid out as part of CCAS process, where the remainder is saved for other awards such as spot and special act awards given throughout the year.

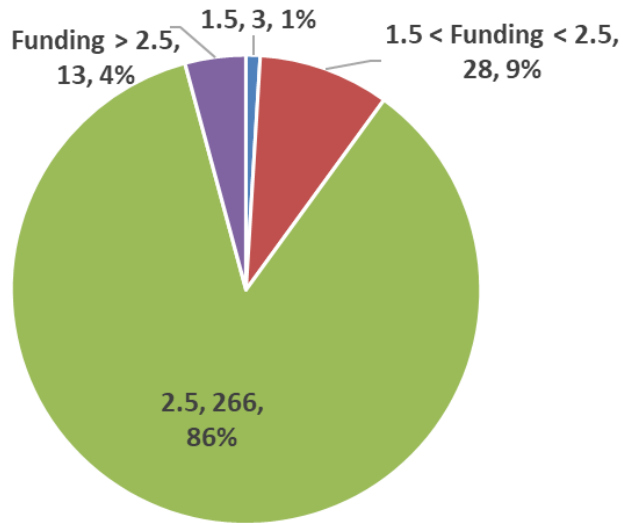


Figure 14: Funding for CA – Pay Pool Count and %

AcqDemo provides a broader range of pay increases than Title 5 (GS) due to the pay for contribution approach. Figure 15 shows the range of basic pay increases.

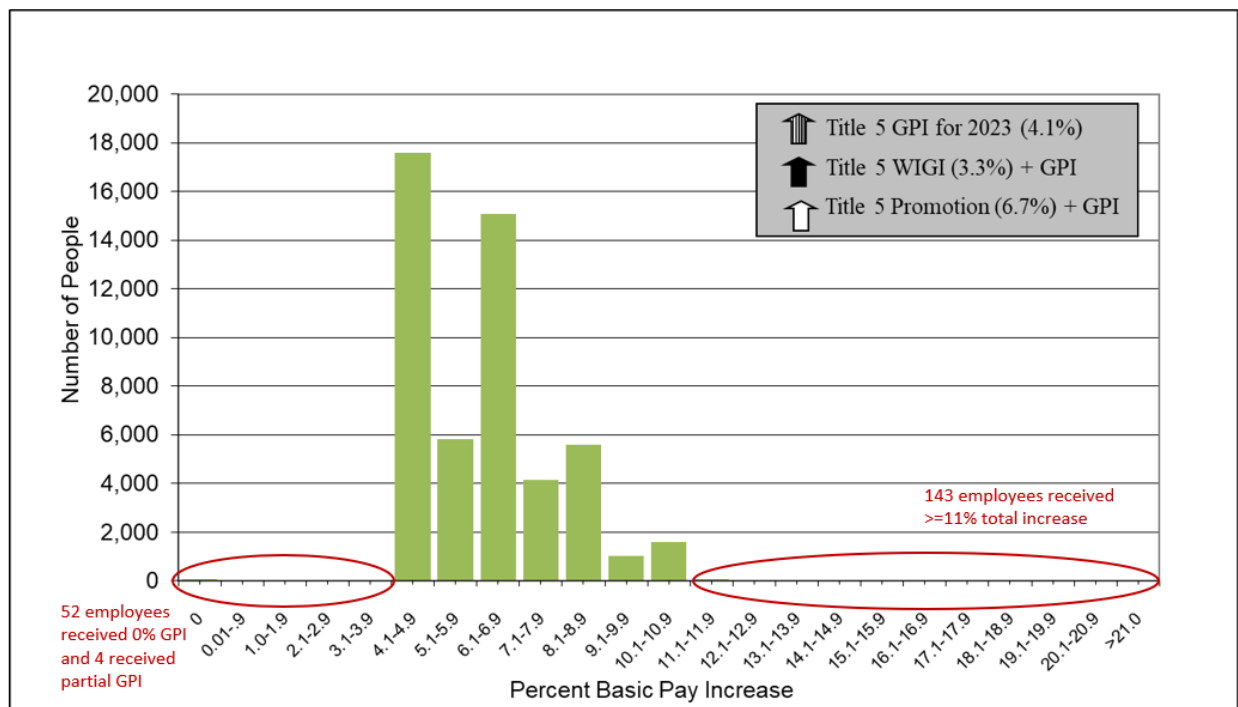


Figure 15: Ranges of Pay Increases, Excluding Retained Pay and Presumptive Ratings

An effect of CCAS is that employees whose OCS is less than expected for their pay tend to improve or leave. The table of loss rates in Figure 16 shows this effect. The Overcompensated Region (above the Upper Rail) has the greatest loss rate, but due to the small number of employees in the region (about 0.2% of the population) the loss rate varies significantly from year to year. One reason for these employees leaving is that they will receive no basic pay increase and no Contribution Award. Employees in the Undercompensated Region (below the Lower Rail), which is less than 3% of the population, receive greater than average pay increases and Contribution Awards and thus tend to have a lower loss rate than Appropriately Compensated (on or between the rails) employees.

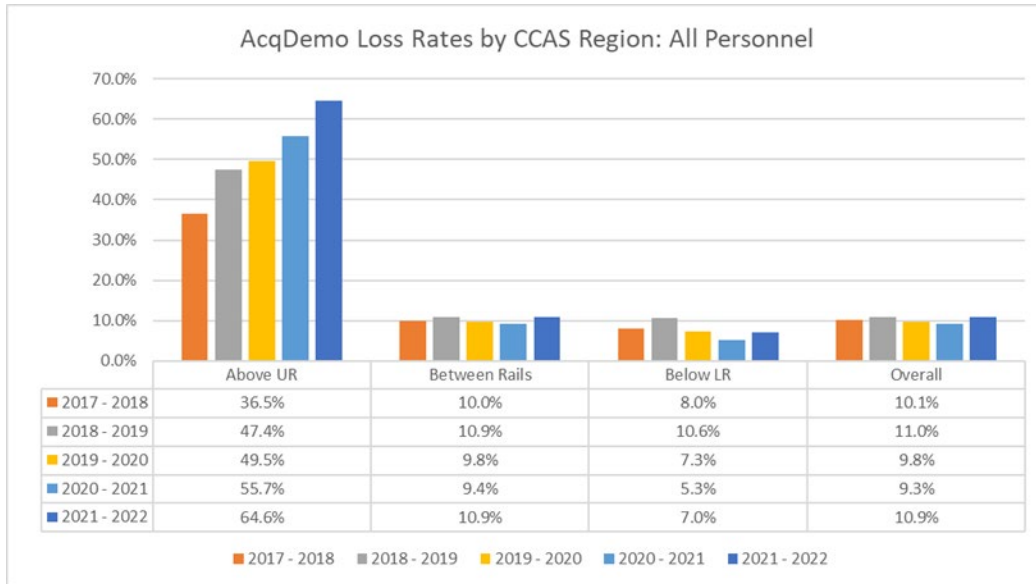


Figure 16: Loss Rates by Region

Figures 12, 15, and 16 show that CCAS is working as intended. Figure 12 shows that employees are moving to Region C (Appropriately Compensated) over time. Figure 13 shows that organizations are using a wide distribution of pay increases to reward employees for contribution. Figure 16 shows that employees in Region A (Overcompensated) have a high loss rate indicating that they leave AcqDemo without additional action by management other than withholding pay increases due to failure to meet the expected contribution level.

4.0 OPM's Federal Employee Viewpoint Survey (FEVS) Section

OPM attempts to collect FEVS data from federal employees including AcqDemo employees. For the 2022 FEVS:

- Full census of Federal Workforce was surveyed with a 26% AcqDemo response rate.
- 95 survey items were included in 2022, where 40 questions are common to 2021.
- In 2022, “all DoD” responses did not include AcqDemo or the Science and Technology Re-invention Laboratory (STRL) demo responses, where in 2021, they were included.
- New Diversity, Equity, Inclusion, and Accessibility (DEIA) Index added in 2022.
- Ten Agency Specific Items were included for DoD.
- AcqDemo results are compared to the DPMAP (DOD GS) and All Federal Employees.
- The number of respondents for all three groups is large enough that any difference in positive percentage is statistically significant.
- Results are shared with the DoD Component representatives for further review and action.

For 2022, 13,927 AcqDemo employees responded for about a 26% response rate. Highlights of the 2022 results include:

Employee Satisfaction: OPM's Federal Employee Viewpoint Survey (FEVS) defines a Global Satisfaction Index (GSI) comprised of four questions about employee satisfaction with their job, pay, and organization and their willingness to recommend their organization to others. AcqDemo 2021 GSI ratings are 69% positive compared to 61% for all DoD and 62% for all federal employees.

Employee Engagement: OPM's FEVS also defines an Employee Engagement Index (EEI) comprised of 15 questions that relate to an employee's sense of purpose that is evident in their display of dedication, persistence, and effort in their work or overall attachment to their organization and its mission. AcqDemo's EEI ratings have been consistently higher than full DoD and the federal workforce in each of the past five years, with 2022 ratings at 78% positive compared to 70% for all DoD and 71% for all federal employees.

Performance Confidence: OPM's FEVS defines a Performance Confidence Index (PCI) that is an average of five items assessing employee's perception of their work unit's ability to achieve its goals and produce work at a high level. The PCI ratings were 88% positive for AcqDemo compared to 83% for all DoD and 84% for all Federal.

Diversity, Equity, Inclusion, and Accessibility: The ratings are based on responses to 13 questions. Ratings for AcqDemo were 78%, where they were 69% for all DoD and all Federal.

Mission Accomplishment: In the 2021 FEVS, 87% of the AcqDemo population agrees that their organization is successful in accomplishing its mission compared to 80% for all DoD.

Comparison of 2022 and 2021 Responses: The percentage of positive responses for AcqDemo increased for 32 out of the 40 questions in common between 2021 and 2022.

By all the comparisons above, AcqDemo is doing well and better than DPMAP and All Fed.

Differences in Performance: The item with the greatest decrease in positivity (-9%) was “In my work unit, differences in performance are recognized in a meaningful way.” The trend is like all DoD with the peak being during COVID and the percentage dropping toward the pre-COVID levels since the peak. Because one of the goals of AcqDemo is to reward employees based on contribution/performance, this is a trend to watch.

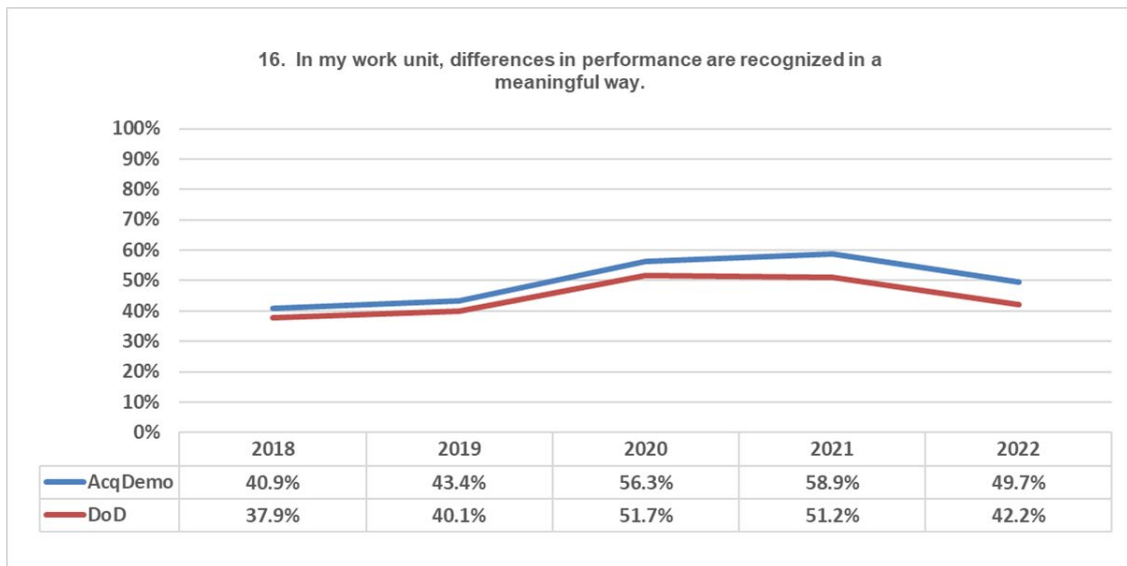


Figure 17: FEVS Trend for Recognition of Performance

5.0 Costs Studies Section

5.1 Pay Costs

This section looks at pay growth and the pay of new hires under AcqDemo. AcqDemo's *Federal Register* requires cost discipline in the use of the AcqDemo pay flexibilities, where the concern was that AcqDemo pay would increase too quickly. Cost discipline means that the average annual base pay growth under AcqDemo should be "close" to what it would have been if the population had remained in GS.

The second area is the pay setting for new hires. AcqDemo's *Federal Register* and other authorities provide the flexibility for AcqDemo to be competitive in the marketplace for new hires, particularly for candidates currently in the private sector or school. Pay progression is covered first.

5.1.1 Pay Growth

The study of pay growth or pay progression uses a GS comparison group that is like the AcqDemo group in occupational series and a range of grades. This leads to conducting the study by career path. Due to the low number of employees in the NJ and NK populations, the study focuses on the NH career path, which accounts for 96.2% of the AcqDemo population (see Figure 4). Regression analysis is used to account for differences in the GS comparison group and the AcqDemo population. Regression coefficients are computed to estimate pay from annual GS populations using the following merit and demographic variables:

- Gender
- Minority status
- Education
- Equivalent band
- Supervisory status
- Retained pay status
- Bargaining unit status
- AW status and career field
- Average age and time in service

The result of the study is that the average growth of 0.17% or \$168 per year greater than if the population had remained GS shows that AcqDemo is exercising cost discipline in pay progression.

5.2 New Hire Pay

One goal of the demos is for organizations in demo to be more competitive in hiring than if their positions were still under the GS system and thus new hire pay in demo is typically higher. New hire pay for AcqDemo is studied by comparing new hire pay in demo to what it would have been if the positions were still under GS. The study uses the same set of data elements as the pay progression study, where it looks only at new hires from the private sector including new college graduates. Employees hired from GS are not included because AcqDemo has specific policies that limit pay setting flexibility for hiring employees from GS into demo.

New hires to demo are identified for each year of the study and a comparison group of new hires into the same occupational series is developed. Only those pay plans without about 50 new hires per year are studied because the regression results are unstable for small populations.

Figure 22 shows that new hires into AcqDemo are estimated to have an average pay that is 9.6% greater than if they had been hired into GS, which is in the expected range given the goal to be more competitive in hiring.

5.3 Summary

Regression analysis was used to determine cost discipline, the year-to-year pay growth under demo to what it would have been if the population had remained in GS. AcqDemo's pay growth rate tracks well with estimated pay growth if the employees had stayed GS, thus exhibiting cost discipline in pay progression.

Because organizations in demo strive to be more competitive in hiring than if their positions were still under the GS system, new hire pay in demo is typically higher. New hire pay for AcqDemo was compared to what it would have been if the positions were still under GS. The study used the same set of data elements as the pay progression study, where only new hires from the private sector and new college graduates were included. Results found that new hires into AcqDemo are estimated to have an average pay that is 9.6% greater than if they had been hired into GS, which is in the expected range.

6.0 New Flexibilities Section

The 2017 Federal Register added new flexibilities to AcqDemo. Results of analysis of these flexibilities follows.

6.1 Employee Recruitment and Hiring

The first two direct hiring authorities in Figure 23 were added with the 2017 *Federal Register*. Use of the Business and Technology Management Professional hiring authority doubled from FY21 to FY22.

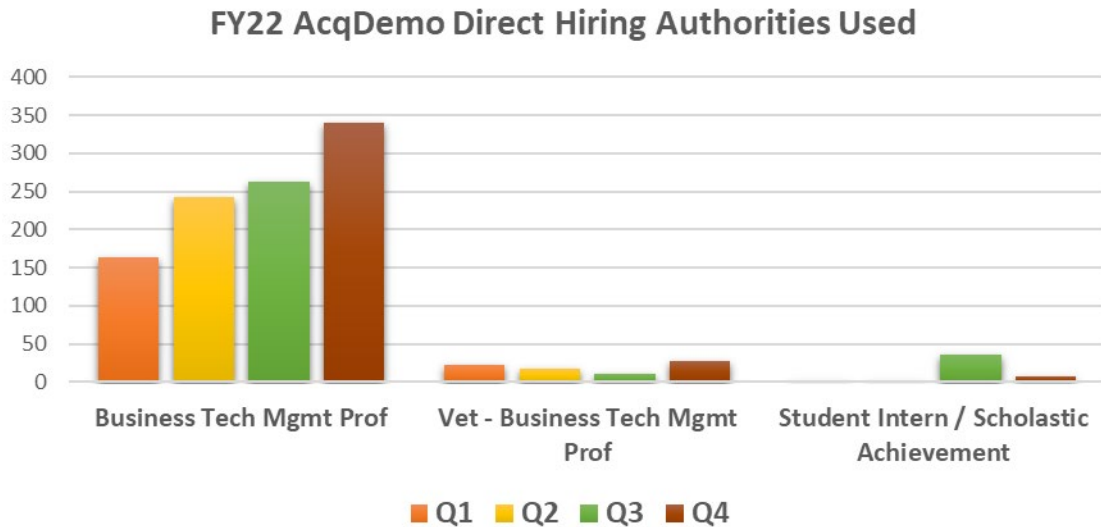


Figure 18: Direct Hiring Authorities

6.2 Accelerated Compensation for Developmental Positions (ACDP)

ACDP, one of the flexibilities introduced with the 2017 Federal Register, allows for out of cycle pay increases for employees who would have been in career ladder positions in the GS system. Before ACDP, AcqDemo organizations were keeping career ladder employees in GS positions until they reached their target grade and were then converting them into AcqDemo. Figure 24 and 25 shows the use of ACDP in FY22 and FY21, where use is essentially the same for both years.

Component	Band 1			Band 2			Band 3			Total		
	Pop	ACDP		Pop	ACDP		Pop	ACDP		Pop	ACDP	
		Count	Percent		Count	Percent		Count	Percent		Count	Percent
Army	20	2	10.0%	1,229	108	8.8%	7,760	16	0.2%	9,009	126	1.4%
Navy	32	2	6.3%	378	91	24.1%	3,131	58	1.9%	3,541	151	4.3%
Marine Corps	0	0		128	0		1,197	0		1,325	0	0.0%
Air Force	8	0	0.0%	1,735	18	1.0%	14,384	1	0.0%	16,127	19	0.1%
4th Estate	11	0	0.0%	313	76	24.3%	2,567	9	0.4%	2,891	85	2.9%
AcqDemo Total	71	4	5.6%	3,783	293	7.7%	29,039	84	0.3%	32,893	381	1.2%

Figure 19: FY21 Use of ACDP

Component	Band 1			Band 2			Band 3			Total		
	Pop	ACDP		Pop	ACDP		Pop	ACDP		Pop	ACDP	
		Count	Percent		Count	Percent		Count	Percent		Count	Percent
Army	16	0	0.0%	1,174	104	8.9%	7,766	12	0.2%	8,956	116	1.3%
Navy	19	0	0.0%	343	68	19.8%	3,122	60	1.9%	3,484	128	3.7%
Marine Corps	0	0		119	0		1,189	0		1,308	0	0.0%
Air Force	6	0	0.0%	1,854	17	0.9%	15,404	0	0.0%	17,264	17	0.1%
4th Estate	8	0	0.0%	439	78	17.8%	2,848	9	0.3%	3,295	87	2.6%
AcqDemo Total	49	0	0.0%	3,929	267	6.8%	30,329	81	0.3%	34,307	348	1.0%

Figure 20: FY22 Use of ACDP

6.3 Supervisory Differential

Supervisory and team leader cash differentials may be used by organizations as an additional tool to incentivize and compensate supervisors and team leaders as defined by the OPM General Schedule Supervisory Guide or Leader Grade Evaluation Guide in situations where:

1. Organizational level and scope, difficulty, and value of position warrants additional compensation;
2. Supervisory and/or team leader positions are extremely difficult to fill; or
3. Salary inequities may exist between the supervisor/team leader and non-supervisory/non-team leader subordinates' basic pay.

Figure 26 and 27 shows the use of supervisory differential for both supervisors and team leads in FY22 and FY23, where usage essentially did not change between the years. Except for Army, supervisory differential is used for less than 3% of team lead and supervisory positions. The components have different philosophies on use of the differential, where component use in GS likely controls use in AcqDemo.

Component	Band	Supervisor Count	Count Receiving Supervisor Differential	Percent Receiving Supervisor Differential	Average Amount Received	Max Amount Received	Min Amount Received	Total Amount Spent	Average Percent Received	Max Percent Received	Min Percent Received
Army	2	29	2	6.9%	\$2,991	\$4,187	\$1,794	\$5,981	6.3%	10.0%	2.5%
	3	924	275	29.8%	\$4,643	\$10,991	\$941	\$1,276,725	4.6%	10.0%	1.0%
	4	2,882	881	30.6%	\$8,306	\$15,277	\$153	\$7,317,677	6.0%	10.0%	0.1%
Army Total		3,835	1,158	30.2%	\$7,427	\$15,277	\$153	\$8,600,383	5.7%	10.0%	0.1%
Navy	2	5		0.0%							
	3	433	6	1.4%	\$4,308	\$6,286	\$1,631	\$25,846	4.6%	6.0%	1.5%
	4	2,257	17	0.8%	\$4,822	\$8,588	\$1,326	\$81,977	3.6%	6.0%	1.0%
Navy Total		2,695	23	0.9%	\$4,688	\$8,588	\$1,326	\$107,823	3.9%	6.0%	1.0%
Marine Corps	2	1		0.0%							
	3	105		0.0%							
	4	370		0.0%							
Marine Corps Total		476		0.0%							
Air Force	2	223	1	0.4%	\$7,338	\$7,338	\$7,338	\$7,338	10.0%	10.0%	10.0%
	3	4,588	140	3.1%	\$5,010	\$10,745	\$1,006	\$701,437	5.4%	10.0%	1.0%
	4	4,632	59	1.3%	\$8,609	\$15,277	\$2,122	\$507,947	6.9%	10.0%	1.5%
Air Force Total		9,443	200	2.1%	\$6,084	\$15,277	\$1,006	\$1,216,722	5.8%	10.0%	1.0%
4th Estate	2	32		0.0%							
	3	912	5	0.5%	\$6,310	\$10,991	\$1,739	\$31,548	6.9%	10.0%	2.0%
	4	1,193	42	3.5%	\$8,585	\$15,277	\$1,336	\$360,572	6.5%	10.0%	1.0%
4th Estate Total		2,137	47	2.2%	\$8,343	\$15,277	\$1,336	\$392,120	6.6%	10.0%	1.0%
Overall AcqDemo	2	290	3	1.0%	\$4,440	\$7,338	\$1,794	\$13,319	7.5%	10.0%	2.5%
	3	6,962	426	6.1%	\$4,778	\$10,991	\$941	\$2,035,556	4.9%	10.0%	1.0%
	4	11,334	999	8.8%	\$8,276	\$15,277	\$153	\$8,268,173	6.1%	10.0%	0.1%
Overall AcqDemo Total		18,586	1,428	7.7%	\$7,225	\$15,277	\$153	\$10,317,048	5.7%	10.0%	0.1%

Figure 21: FY22 Use of Supervisory Differential

Component	Band	Supervisor Count	Count Receiving Supervisor Differential	Percent Receiving Supervisor Differential	Average Amount Received	Max Amount Received	Min Amount Received	Total Amount Spent	Average Percent Received	Max Percent Received	Min Percent Received
Army	2	26	2	7.7%	\$2,788	\$3,880	\$1,695	\$5,575	6.3%	10.0%	2.5%
	3	894	381	42.6%	\$3,815	\$10,558	\$901	\$1,453,395	4.0%	10.0%	1.0%
	4	2,810	997	35.5%	\$7,096	\$14,676	\$132	\$7,074,773	5.4%	10.0%	0.1%
Army Total		3,730	1,380	37.0%	\$6,184	\$14,676	\$132	\$8,533,743	5.0%	10.0%	0.1%
Navy	2	6	0	0.0%					0.0%	0.0%	0.0%
	3	415	5	1.2%	\$2,494	\$4,081	\$1,365	\$12,472	2.5%	4.0%	1.5%
	4	2,225	14	0.6%	\$5,314	\$8,198	\$1,220	\$74,402	4.2%	6.0%	1.0%
Navy Total		2,646	19	0.7%	\$4,572	\$8,198	\$1,220	\$86,874	3.7%	6.0%	1.0%
Marine Corps	2	1	0	0.0%							
	3	104	0	0.0%							
	4	385	0	0.0%							
Marine Corps Total		490	0	0.0%							
Air Force	2	234	0	0.0%							
	3	4,475	129	2.9%	\$5,250	\$10,558	\$903	\$677,271	5.8%	10.0%	1.0%
	4	4,247	43	1.0%	\$8,822	\$14,467	\$2,136	\$379,329	7.5%	10.0%	2.0%
Air Force Total		8,956	172	1.9%	\$6,143	\$14,467	\$903	\$1,056,600	6.2%	10.0%	1.0%
4th Estate	2	2	0	0.0%							
	3	841	13	1.5%	\$3,093	\$6,059	\$1,156	\$40,203	3.4%	6.0%	1.3%
	4	1,122	6	0.5%	\$8,528	\$14,676	\$4,826	\$51,168	6.7%	10.0%	4.0%
4th Estate Total		1,965	19	1.0%	\$4,809	\$14,676	\$1,156	\$91,371	4.4%	10.0%	1.3%
Overall AcqDemo	2	269	2	0.7%	\$2,788	\$3,880	\$1,695	\$5,575	6.3%	10.0%	2.5%
	3	6,729	528	7.8%	\$4,135	\$10,558	\$901	\$2,183,341	4.4%	10.0%	1.0%
	4	10,789	1,060	9.8%	\$7,151	\$14,676	\$132	\$7,579,672	5.5%	10.0%	0.1%
Overall AcqDemo Total		17,787	1,590	8.9%	\$6,144	\$14,676	\$132	\$9,768,588	5.1%	10.0%	0.1%

Figure 22: FY21 Use of Supervisory Differential

7.0 OUSD(P&R) Annual Report to Congress Section 1106 Report

7.1 Introduction

Section 4703(j) of title 5, United States Code (U.S.C.), requires Federal agencies with personnel demonstration projects authorized under section 4703 to submit an annual report to the Office of Personnel Management (OPM), the Office of Management and Budget, the Committee on Homeland Security and Governmental Affairs of the Senate, and the Committee on Oversight and Reform of the House of Representatives that includes:

- The aggregate performance appraisal ratings and compensation costs for employees under a demonstration project (AcqDemo and the Science and Technology Reinvention Laboratory (STRL) demos;
- An assessment of the results of the demonstration project, including its impact on mission goals, employee recruitment, retention, and satisfaction, and which may include the results of the survey authorized under section 1128 of the National Defense Authorization Act for Fiscal Year (FY) 2004 (Public Law 108-136; 5 U.S.C § 7101 note), commonly referred to as the Federal Employee Viewpoint Survey (FEVS), and performance management for employees; and
- A comparison of the items listed above with employees not covered by the demonstration project (DPMAP).

7.2 The 1106 report using 2022 data showed that AcqDemo compared well with the STRL demos and DPMAP.

8.0 Evaluation Report Summary

The data show that the main interventions of AcqDemo: broadbanding, simplified job classification, and the Contribution-based Compensation and Appraisal System are working as planned in motivating employees to contribute to the mission, rewarding them based on their contribution, and retaining employees who have increasing contributions and motivating under-contributing employees to improve or leave. Developing training or communication to improve the transparency of the Contribution-based Compensation and Appraisal System may be an area for further engagement and study.

The population of AcqDemo has tripled from 2011 to 2022 as acquisition organizations see the benefits of AcqDemo over the GS system. One shortfall in the AcqDemo population is the limited participation of bargaining units, which is 10% for AcqDemo versus just over 50% for the Acquisition Workforce. Increasing participation by bargaining units may be an area for further engagement and study.

Pay progression and new hire costs are under control compared to modeled costs under GS and match up well with costs under the STRL demos.

Overall results from the 2022 FEVS were positive with AcqDemo percentage agree responses increasing for 32 of 40 questions that were on both the 2021 and 2022 surveys.

The new flexibility section indicates a slow start in the use of the new pay flexibilities of ACDP and Supervisory Differential. This may change for ACDP as organizations work through how to use it. Supervisory differential use is based on philosophy and many organizations do not plan to use it. One thing that is unique to AcqDemo compared to the STRL demos is that AcqDemo applies to all components. Thus, a flexibility may be included in AcqDemo to satisfy the needs of only a few components.

The OUSD P&R report was also favorable to AcqDemo. The report is an annual deliverable to Congress, so a follow-up action is to provide data to P&R every fall, usually in August.

With tightening of the DoD budget and some push back from OPM on the proliferation of performance management systems, the questions and challenges to demonstration personnel systems will come, but AcqDemo has a strong array of data available to address them.