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before the

HOUSE COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM

on

THE FRONTLINES IN THE ACQUISITION WORKFORCE'S BATTLE AGAINST TAXPAYER WASTE

November 16, 2011 Hearing

Chairman Lankford, Ranking Member Connolly and Members of the committee: My name is Katharina McFarland. I am the President of the Defense Acquisition University and directly responsible to the Honorable Frank Kendall, Undersecretary of Defense for Acquisition, Technology and Logistics, for providing training and job support programs for the Defense Acquisition Workforce. Thank you for the invitation to appear before you today. I am pleased to be here with other key government leaders: Dan Gordon, Administrator for Federal Procurement Policy, and Donna Jenkins, Director of the Federal Acquisition Institute. DAU and FAI have a long history of working together in support of one another's missions and our respective acquisition workforces.

We are in challenging times, and the times are not forecasted to be less so in the near future. As we draw down in Iraq and look ahead to doing the same in Afghanistan, the threat is not going away to the degree it did after the end of previous conflicts. The threat of terrorism remains. And in addition, new powers are rising like China and India. The world is becoming

more unpredictable, more volatile, and more dangerous. DoD must continue to equip the warfighters— DoD must recapitalize and modernize its force structure and continue to sustain the warfighters in theater. Secretary Panetta has been adamant that there will be no hollow force on his watch. Adding to the challenge, we have to do this in an austere fiscal environment, and this is where a professional acquisition workforce becomes vital.

What do I mean by a professional acquisition workforce? It is one that is trained, educated, and experienced, with a strong ethic in how they do their job. Whether they are responsible for procurement, acquisition, technology development, product support, or logistics, they must not only be able to perform the functions required of the job, they also must be able to think critically, make the necessary trade-offs, and maintain the discipline to stay within cost.

The Defense Acquisition Workforce exists to support the nation's security objectives and to ensure sound business deals are made for the benefit of the warfighter and American taxpayer. This workforce is comprised of individuals with a broad spectrum of technical expertise, program and business skills, and institutional memory.

With the drawdown in the 1990s following the end of the Cold War, the workforce in acquisition organizations saw a significant reduction in capacity and capability. For the last 10 years, many in this workforce have been focused on supporting our contingency operations as our nation engaged in two wars. Still with us is a 'bathtub effect' showing many in the workforce nearing retirement, with fewer people behind them having less experience in fundamental acquisition skills.

In 2006, the Department established an initiative to upgrade our workforce analysis capability so that the senior leadership team could better evaluate the acquisition workforce and understand our needs. Over the last five years, we have improved our models and analytical capabilities and developed workforce strategies to ensure we are investing in the correct government acquisition workforce. But, it isn't all about the numbers; there also must be the right mix of skill sets in the workforce.

The Department began efforts to rebuild the government defense acquisition workforce in April 2009. With help from the Defense Acquisition Workforce Development Fund established by Congress in the FY 2008 National Defense Authorization Act, we have increased our workforce capacity by establishing and filling a significant number of positions and restored essential capabilities. This growth has been successfully targeted toward strengthening key areas such as systems engineering, test and evaluation, program management, contracting, cost estimating, contract pricing, and auditing. We are not finished yet. As Winston Churchill said, "Now this is not the end. It is not even the beginning of the end. But it is, perhaps, the end of the beginning." We are getting better data and our analysis is ongoing. We are learning where we have need for further improvement—in numbers, in skill mix, and in training and qualification. While workforce size is important and the skill mix is important, let us not forget—quality is paramount.

DoD has a statutorily mandated career-development program for people who are formally identified to be in the acquisition workforce. The certification program, a result of the FY1991 Defense Acquisition Workforce Improvement Act, known as DAWIA, consists of education, experience, and training requirements at three levels as a person advances through

his or her career. DAU provides the training piece of this program. Our mission is to provide a global learning environment to support a mission-ready Defense acquisition workforce that develops, delivers, and sustains effective and affordable warfighting capabilities. We are accredited by the Council on Occupational Education. We have five regional campuses located in areas of high concentrations of acquisition personnel. This regional focus minimizes travel expenses related to training and provides quick and easy access to our highly-skilled practitioner faculty members for acquisition organizations in need of assistance. We offer more than 100 courses in 15 career fields, including program management, contracting, financial management, cost estimating, systems engineering, and test and evaluation. As a result of funds received from the Defense Acquisition Workforce Development Fund, DAU hired additional faculty and added infrastructure to increase classroom throughput from 36,630 in FY 2008 to 56,699 in FY 2011. And, we are continuing to work with the Ft. Belvoir Garrison Commander to obtain additional classroom space to meet the needs. DAU also provides career-long job support to workforce members and their organizations through consulting services during major program transition points, training tailored to an organization's specific needs, rapid deployment training on new initiatives and policies, online continuous learning modules, and a variety of online knowledge sharing resources and special interest communities of practice.

In FY 11 we graduated 208,130 from our certification courses and had 474,893 completions of our continuous learning modules. In addition to the more than 7 million hours of certification instruction, we provided the workforce with almost 3.5 million hours of online

continuous learning and knowledge sharing support. Our faculty also provided consulting, targeted training, and rapid deployment training to acquisition organizations.

DAU stays connected to Senior DoD leadership to ensure that all of these learning products and services are relevant and responsive to current DoD acquisition priorities. For instance, the contracting career field has been a special focus at DAU over the past couple of years. In FY10, at the request of the Contracting Functional Leader, DAU developed CON 090, Federal Acquisition Regulation (FAR) Fundamentals, which all new contracting specialists now take. CON 090 is a four week, classroom, foundational course that provides a total immersion into the FAR and the Defense Federal Acquisition Regulation Supplement (DFARS) and DoD's Procedures Guidance and Information (PGI) manual. CON 090 is the boot camp for entry level contracting personnel. No other contracting courses provide this in-depth coverage of contracting fundamentals. The course prepares the 21st century acquisition workforce to operate successfully in a web-enabled environment. It's tough. CON 090 is the most comprehensive Level 1 contracting course produced in the past 20 years. Students have to understand government contracting, know how to make decisions, and show how their choices are based on law and regulation. A few months into implementation, we are getting very positive feedback; students essentially jump start their careers and often perform like seasoned professionals. CON 090 is an investment in training that is well worth it. In FY 11, we re-engineered the entire Contracting curriculum. This included updating content and developing 6 new courses across all three certification levels. We also created two new online continuous learning modules.

Most recently, we have deployed numerous learning products and services in response to the Undersecretary of Defense's Better Buying Power Initiatives. We have incorporated Better Buying Power into our classroom and online curriculum. We stood-up an online Better Buying Power gateway to all guidance, documentation, and job performance tools related to this critical initiative. We are also delivering rapid deployment training programs on the implementing Directive Type Memorandums and providing on-the-job assistance on critical topics such as Fixed Price Incentive contracts.

We receive many requests for on-the-job assistance. For example, the United States Air Force Space and Missile Center (SMC) requested a Targeted Training Workshop on FPI contracts for its contracting personnel. DAU helped create a comprehensive training product that will give SMC and other workforce colleagues a deeper understanding of the mechanics and applicability of FPI contracts. By appropriately using FPI contracts SMC will be able to get a better deal and fill their needs.

As necessary and vital as the career certification training program is, and as useful as our other learning resources are, they are not sufficient in these difficult times. The challenges we face today require that everyone who touches acquisition in a meaningful way be fully qualified to do so. That means everyone from the operator who formulates a requirement statement for a program or for a contract, to the scientist or soldier who oversees a contractor and makes sure the government gets what it pays for— in the homeland or in theater, to the acquisition professionals themselves. The FY2007 National Defense Authorization Act required a training program to certify DoD military and civilian personnel with the responsibility for generating requirements for major defense acquisition programs. DAU developed four certification courses

and three Continuous Learning Modules to support certification of requirements personnel. In FY 11, we worked with the DoD Inspector General's Office, and Defense and Service Audit Agencies to identify acquisition training requirements for the auditor community. We also signed a memorandum of agreement with the Defense Contract Management Agency to establish a new DAU college, the College of Contract Management. This partnership will provide accredited and improved training for the development of the DCMA workforce and will leverage DCMA and DAU learning assets to train the Defense Acquisition workforce on contract management requirements. Additionally, we cooperate on training initiatives with the Federal Acquisition Institute, VA Academy, NASA, and the Department of Homeland Security. However, the civilian government agencies do not execute in accordance with DoD 5000 and the Defense Federal Acquisition Regulations Supplement.

We have increased the training we already provided for deployed contracting officers and contracting officer representatives (CORs). We developed and deployed several specific classroom and online courses to ensure the availability and competency of the contingency workforce. The content and learning objectives of these courses were determined in conjunction with and approved by the DoD contracting integrated product team in the office of the Undersecretary of Defense for Acquisition, Technology and Logistics. Two separate training programs have been developed for the contingency workforce: one for contingency contracting officers (CCOs) and one for contingency CORs. CCOs are members of the statutory contracting acquisition workforce who are working in a contingency environment. They must be well grounded in the fundamentals of contracting and then be given unique training in applying those fundamentals in a contingency environment. Therefore, CCOs take the same set

of courses required of all contracting officers for DAWIA Level I certification in addition to CCO unique courses. CORs are not members of the defense acquisition, or DAWIA, workforce, therefore do not fall under the DAWIA certification requirements. Because their duties as CORs are integral to contract administration, they are considered to be part of what GAO refers to as the “non-statutory” acquisition workforce. Contingency CORs must be well grounded in the fundamental technical and contract oversight duties of a COR, then be given unique training in applying those fundamentals in a contingency environment.

The Department’s most recent effort toward ensuring a fully qualified acquisition workforce is the qualification initiative. Our goal is to have a workforce that is both fully certified to today’s standards and also fully qualified to effectively perform their duties as acquisition professionals. This initiative is based on both functional and organizational competencies and will require on-the-job demonstration of these critical competencies. This demonstrated performance construct ensures that the workforce not only “knows” the process of their job as shown on coursework assessments, but can actually effectively “perform” on the job. The qualification initiative responds to a statutory mandate (section 1723(c) of title 10 USC).

We are also focusing efforts on developing high-quality acquisition leaders. These individuals must be identified, systematically developed, and carefully selected. We must ensure key leaders—program managers, deputy program managers, chief engineers, contracting officers, and product support managers—are fully qualified. For example, DAU has partnered with the Army to provide the Senior Service College Fellowship— a program designed to prepare Army civilians for higher levels of acquisition leadership responsibility.



Another example is the DAU Chair at the Industrial College of the Armed Forces (ICAF) — a senior service school providing graduate level education to prepare selected military and civilians for strategic leadership positions in developing national security strategy and policy. The presence of a DAU faculty member at ICAF increases the understanding of defense acquisition and program management capabilities, mission, and functions; and enhances interaction between DAU and ICAF faculty and students. The Department has also significantly expanded its portfolio of DAU executive and leadership courses available at the mid and senior grade levels for both civilian and military.

Additionally, we are strengthening the smaller-sized mid-career workforce (i.e., the ‘bathtub’) to ensure they have the capacity, capability, experience, and readiness to be acquisition leaders. Two examples are our new courses on contract pricing and on understanding industry, both of which have to do with getting a good deal for the taxpayers and getting our forces what they need.

We are implementing two new courses on contract pricing, a demanding discipline which we allowed to atrophy to some degree in the 1990s. Pricing, which involves market research, cost analysis, and specialized mathematical techniques, is fundamental to negotiating contracts in a way that is fair to industry and favorable to the taxpayer. The Department is making a special effort to recruit people with ability and aptitude for this demanding role and then to train and qualify them for these jobs.

An important foundation of any business negotiation is understanding your counterpart, i.e., what their negotiating objectives are, what matters to them as a business, and how to get to a deal that is good for both them and the taxpayer. DAU is developing a training program to

help our contracting officers and program managers have more insight into the business perspective. These efforts in workforce development at both the leadership and the mid-career levels will produce significant dividends in the future from having a workforce that is better prepared to negotiate a contract, deal with a technology issue, or respond to program cost growth.

Acquisition is inherently a responsibility of government, and successful acquisition outcomes are critical to our national security. We must increase our buying power and deliver on efficiency and affordability imperatives while recapitalizing and modernizing our military force. We must always ensure that our warfighters have the products and services they need to win. To do this, we need a fully qualified acquisition workforce. The Honorable Frank Kendall has said, “Our legacy is to leave behind a stronger workforce, a more capable workforce than we inherited.” I promise to you, we will do that.

Thank you for this opportunity and I welcome your questions.