



Transition to the DoD Civilian Acquisition Workforce Personnel Demonstration Project (AcqDemo)

Leadership Overview
Winter/Spring 2011

- Senior Leader Overview
 - The Leadership Challenge
 - NSPS / AcqDemo Comparison
 - Transition Planning and Impacts
 - Change Management Support

- AcqDemo Design Review
 - AcqDemo NDAA Legislative History
 - Personnel System Features

USD(AT&L) Efficiency Initiative

Honorable Dr Ashton B. Carter, USD AT&L, Memo, dated June 28, 2010



THE UNDER SECRETARY OF DEFENSE
3010 DEFENSE PENTAGON
WASHINGTON, DC 20301-3010

ACQUISITION,
TECHNOLOGY
AND LOGISTICS

JUN 28 2010

MEMORANDUM FOR ACQUISITION PROFESSIONALS

SUBJECT: Better Buying Power: Mandate for Restoring Affordability and Productivity in Defense Spending

I have written to you previously to emphasize, with President Obama and Secretary Gates, that your highest priority is to support our forces at war on an urgent basis. Over the last year, the Department has also worked to reform its acquisition system, including implementing the Weapon Systems Acquisition Reform Act. Today I write to give direction on another important priority: delivering better value to the taxpayer and improving the way the Department does business.

We are a nation at war, and the Department does not expect the defense budget to decline. At the same time, we will not enjoy the large rate of growth we experienced during the years after September 11, 2001. We must therefore abandon inefficient practices accumulated in a period of budget growth and learn to manage defense dollars in a manner that is, to quote Secretary Gates at his May 8, 2010 speech at the Eisenhower Library, “respectful of the American taxpayer at a time of economic and fiscal distress.”

This reality, combined with a determination to take care of our service members and avoid major changes in force structure, has led the Secretary and Deputy Secretary to launch an efficiencies initiative in the Department. The initiative requires the Department to reduce funding devoted to unneeded or low-priority overhead, and to transfer these funds to force structure and modernization so that funding for these warfighting capabilities grows at approximately three percent annually. This is the rate of growth needed historically to continue to give the troops what they need.

Some of these savings can be found by eliminating unneeded programs and activities; and, indeed, the Department’s leadership has already taken strong action in this area and will need to do more. But other savings can be found within programs and activities we do need, by conducting them more efficiently. Deputy Secretary Lynn expects that two-thirds of the savings transferred to warfighting accounts should come about this way. Pursuing this kind of efficiency is the purpose of my message today to the Department’s acquisition professionals. We need to restore affordability to our programs and activities. I would like



*“... We are a nation at war, and the Department does not expect the defense budget to decline. At the same time, we will not enjoy the large rate of growth we experienced during the years after September 11, 2001. We must therefore **abandon inefficient practices** accumulated in a period of budget growth and learn to manage defense dollars in a manner that is, to quote Secretary Gates at his May 8, 2010 speech at the Eisenhower Library, ‘respectful of the American taxpayer at a time of economic and fiscal distress.’ “*

- Defense Acquisition mission excellence and efficiency has long been a priority within Congress/DoD
- AcqDemo provides the tools to manage workforce excellence and efficiency
 - Designed specifically for acquisition business environments/skills
 - Drives performance to expected standards of contribution
 - Focuses attention on total job; impact of contributions
 - Provides management authority to local levels
 - Provides management options to reward/encourage contribution
 - Provides controls to manage compensation

- Not just returning to AcqDemo...
 - Still a demonstration project
 - Evaluation reporting requirements
 - Change management support needed
 - Extension of AcqDemo authority from FY 2012 through FY 2017 approved in NDAA 2011 as signed by the President on January 7, 2011.
 - **SEC. 872. AMENDMENTS TO THE ACQUISITION WORKFORCE DEMONSTRATION PROJECT.**
 - (g) Termination of Authority- The authority to conduct a demonstration program under this section shall terminate on September 30, 2017.
 - (h) Conversion- Within 6 months after the authority to conduct a demonstration project under this section is terminated as provided in subsection (g), employees in the project shall convert to the civilian personnel system created pursuant to section 9902 of title 5.

- ***Our authority to continue AcqDemo will depend on our effectiveness in operating it...***

NSPS	AcqDemo
DoD-Wide Environments	Acquisition Environments
Occupational Codes	Occupational Series
Career Groups Standard Science & Engineering Medical Fire & Protective Service	Career Paths Business Management and Technical Management Professional Technical Management Support Administrative Support
Pay Schedules YA, YB, YC, YD,YP	Pay Schedules NH, NJ, NK *No Supervisory Band
Pay Bands 1, 2, 3, 4	Broadbands I, II, III, IV

Three Career Paths and Four Broadband Levels

BUSINESS AND TECHNICAL MANAGEMENT PROFESSIONAL (NH)

I	II	III	IV
\$17,803 - 31,871 (GS 1/1- 4/10)	\$27,431 - 65,371 (GS 5/1 – 11/10)	\$60,274 - 93,175 (GS 12/1 – 13/10)	\$84,697 -129,517 (GS 14/1 – 15/10)

TECHNICAL MANAGEMENT SUPPORT (NJ)

I	II	III	IV
\$17,803 - 31,871 (GS 1/1- 4/10)	\$27,431 - 48,917 (GS 5/1 – 8/10)	\$41,563 - 65,371 (GS 9/1 – 11/10)	\$60,274 -93,175 (GS 12/1 – 13/10)

ADMINISTRATIVE SUPPORT (NK)

I	II	III
\$17,803 -31,871 (GS 1/1- 4/10)	\$27,431 - 44,176 (GS 5/1 – 7/10)	\$37,631 - 59,505 (GS 8/1 – 10/10)

**2011 GS PAY TABLE
(w/o Locality Pay)**

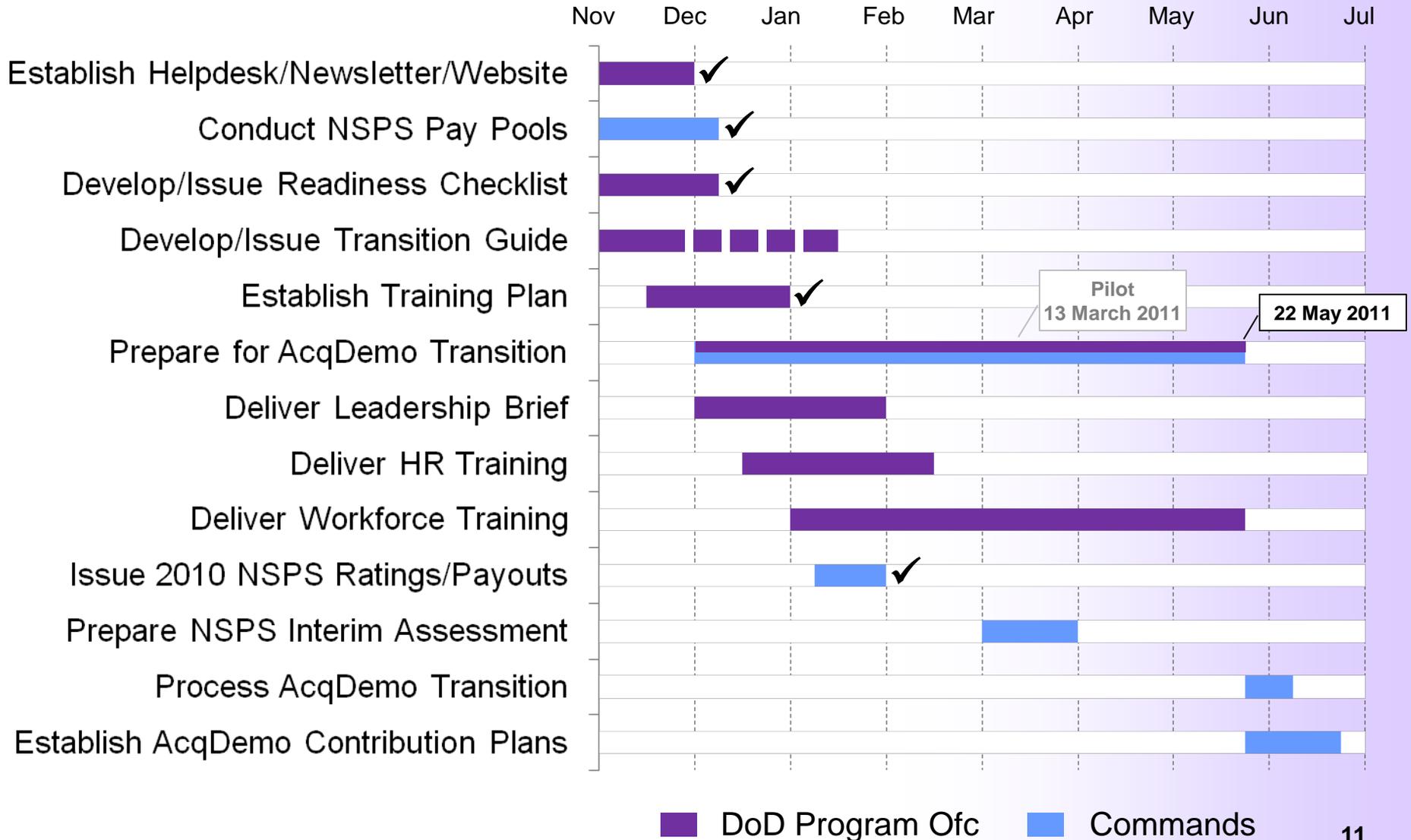
NSPS	AcqDemo
Accelerated Compensation for Developmental Positions (ACDP)	NOT a provision
Up to 5% Reassignment Increase	NOT a provision
Pay Retention status – 2 yrs	Pay Retention status – indefinite
Temporary Promotions 180 day limit	Temporary Promotions 120 day limit
Temporary Appointment 1 yr + 1 yr +1yr	Temporary Appointment 1 yr + 1 yr

NSPS	AcqDemo
Performance-Based	Contribution-Based
Rating Cycle 1 October – 30 September	Rating Cycle 1 October – 30 September
Performance Plan administered via PAA	Contribution Plan administered <i>off-line</i> via Microsoft Word formats / CAS2Net
Expected Performance – Level 3 Performance Indicator Descriptor	Expected Contribution Range tied to salary and CCAS Factor Descriptors
5 Level Rating of Job Objectives	1-115 Point Scoring of Six Standard Factors
Shares / Compensation	OCS / Compensation (Overall Contribution Score)

Transition Organization Populations

COMPONENT ORGANIZATIONS	POPULATION
<i>Air Force summary totals</i>	2544
AIR FORCE MATERIEL COMMAND (AF1M)	2544
<i>Army summary totals</i>	5991
OFFICE OF THE SECRETARY OF THE ARMY (ARSA)	178
U.S. ARMY ACQUISITION SUPPORT CENTER (ARAE)	2885
* U.S. ARMY CONTRACTING COMMAND (ARXD)	544
U.S. ARMY MEDICAL COMMAND (ARMC)	163
U.S. ARMY RESEARCH, DEVELOPMENT AND ENGINEERING COMMAND (ARXR)	340
U.S. ARMY TANK-AUTOMOTIVE & ARMAMENT CMND (TACOM) (ARX7)	442
US ARMY AVIATION AND MISSILE COMMAND (ARX6)	472
US ARMY TEST AND EVALUATION COMMAND (ARAT)	967
<i>Navy summary totals</i>	2286
ASST FOR ADMIN, UNDER SECRETARY OF THE NAVY (NV12)	103
NAVAL SEA SYSTEMS COMMAND (NV24)	91
U.S. MARINE CORPS (NV27)	2092
<i>4th Estate summary totals</i>	3245
OFFICE OF THE SECRETARY OF DEFENSE (DD01)	347
MISSILE DEFENSE AGENCY (DD27)	2700
DEFENSE ACQUISITION UNIVERSITY (DD81)	198
<i>Grand Total</i>	14066

Transition Timeline



- Assemble Transition Team
 - Transition Checklist
 - Transition Guides (DoD and Army) in Phased Release
 - DCPDS Conversion Automation Procedures Ready in February 2011
- Communicate Transition with Workforce
 - Leadership Messages
 - Organization Transition Team
 - Army Transition Team
 - Army NSPS Transition Office/G-1
 - Army AcqDemo Program Manager
 - Program Office Website, Newsletter, and Helpdesk
- Support Workforce Training Requirements
 - Human Resource Service Providers/Transition Managers
 - Workforce

- Transition Issues

- Broadband Reclassifications

- NSPS YA/YD-2's to NH II or NH III
- NSPS YC/YF-2's to NH III or NH IV
- Supervisory and Team Leader Positions

- Pay Retention Impacts

- NSPS Pay Band vs Broadband Mismatches
- +5% Salary Levels

- Elimination of Accelerated Compensation for Development Positions (ACDP)

- Remain in General Schedule until graduation
- Manage within AcqDemo design

- Temporary Appointments/Promotions/OCONUS Deployments

- Impact of Planned Base Realignment and Closure (BRAC) Actions

Transition Focus Areas for Leaders – Position Classification Process

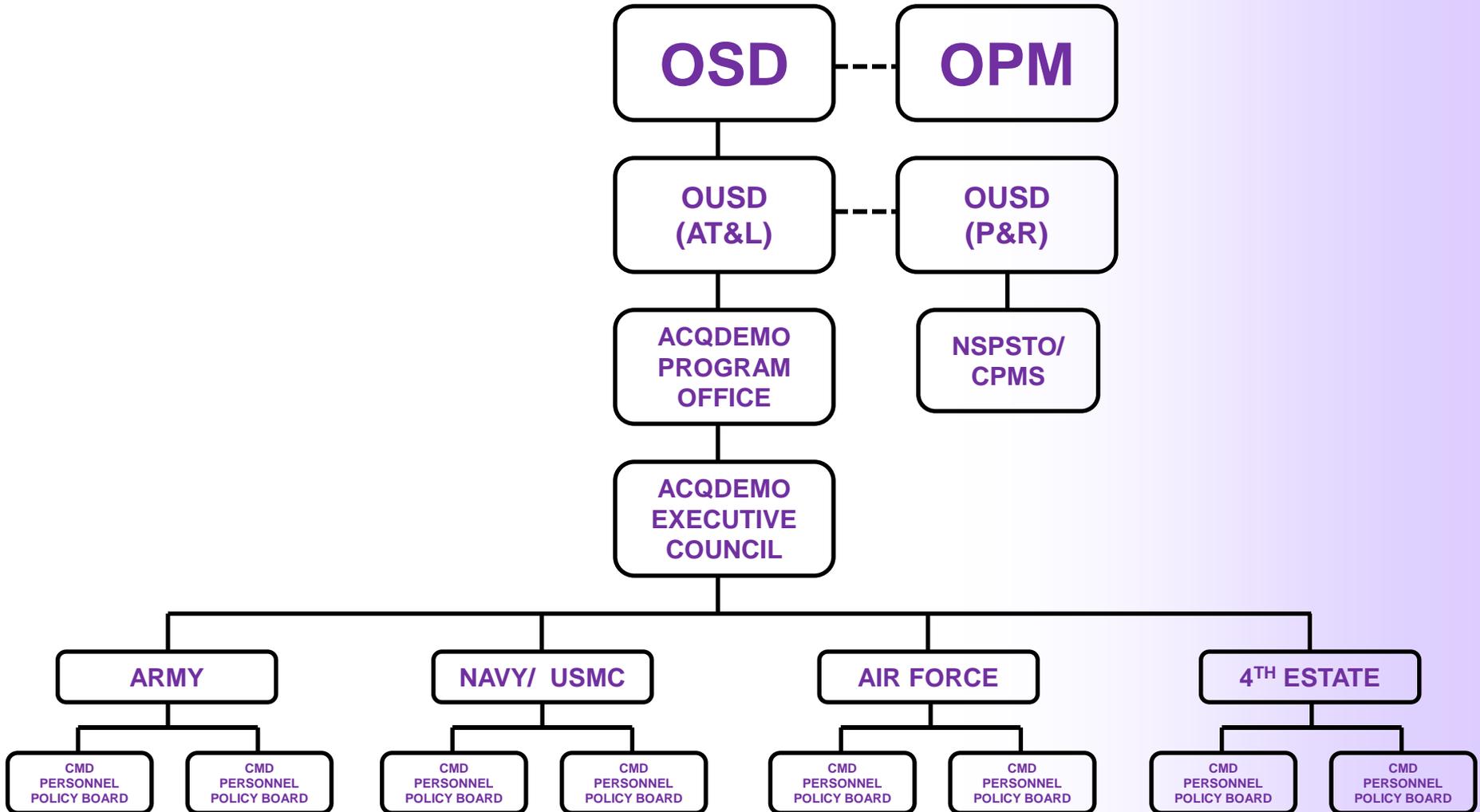
- Classify NSPS Positions to AcqDemo
 - Plan to transition on **March 13** / May 22, 2011
 - **Pilot Transition – HQ TACOM, ILSC, TCC, PEO CS CSS, PEO GCS, PEO Integration (Warren, Rock Island Arsenal, Natick, APG +)**
 - Apply OPM Occupational Series Manual for identification of series
 - Apply Broadband factor descriptors to NSPS Position Document (PD) to determine career path and broadband level
 - Use “reach back” documents as applicable
 - AcqDemo Position Requirements Document (PRD) format preferred; pen and ink annotation of NSPS PD permitted for conversion purposes
 - Commanders will be required to certify that all NSPS positions have been accurately reclassified to AcqDemo based on duties/responsibilities

- Anticipate AcqDemo Recruitment Provisions
 - NDAA 2010 requires DoD, to the extent practicable, to begin appointing individuals to non-NSPS statutory pay systems when vacant NSPS positions are filled by new appointment
 - Appointment – defined as placement of an individual onto DoD rolls
 - To the extent practicable, begin appointing individuals to AcqDemo as soon as possible, i.e., classify, recruit, and appoint to AcqDemo
 - May continue to recruit as NSPS until publication of the NSPS-to-AcqDemo Transition Guidance (e.g., if position is classified as NSPS, NSPS flexibilities to be used to attract candidates, etc.)
 - Actions in progress on effective date of the NSPS-to-AcqDemo Transition Guidance, are “pipeline” actions – may be filled as NSPS if they meet the “pipeline” definition as defined in memo to be issued by NSPSTO
 - As of the effective date of the NSPS-to-AcqDemo Transition Guidance, new actions must be recruited as AcqDemo

- Anticipate AcqDemo Recruitment Provisions (Continued)
 - Elimination of Up to 5% Reassignment Pay Adjustment
 - NOT a provision of AcqDemo
 - To use, candidates must be hired from NSPS to NSPS positions already in recruitment prior to the effective date of the NSPS-to-AcqDemo Transition Guidance

- Reestablish Performance Review Authority (PRA) as Personnel Policy Board (PPB)
 - Assess membership requirements
 - Revalidate Pay Pool structure
- Ensure NSPS Performance Management Compliance until Transition
 - NSPS applies until date preceding transition March 13, 2011 / May 22, 2011
 - Interim NSPS Assessment (Mar/Apr 2011) may serve as NSPS Closeout
- AcqDemo Contribution-Based Compensation and Appraisal System (CCAS) applies upon transition, i.e., March 13, 2011 / May 22, 2011
 - Consider applicability of NSPS objectives to AcqDemo CCAS factors
 - Prepare AcqDemo CCAS Contribution Plan
 - Discuss applicable AcqDemo CCAS factor expectations and expected contribution range with employees by April 14, 2011 / June 22, 2011
- Existing NSPS ratings of record will be applied to any Reduction-In-Force (RIF) actions until AcqDemo ratings are issued

AcqDemo Governance Structure





AcqDemo Program Office Contact Info

- **Program Director**
 - Jim Irwin, james.irwin@dau.mil
- **Policy Management Officer**
 - Sandy Rawdon, sandra.rawdon@mda.mil
- **Training Development and Communications Officer**
 - Patty Lindsey, patricia.lindsey@dau.mil
- **Training Coordinator**
 - John Brundage, john.brundage@dau.mil
- ***DoD AcqDemo Helpdesk***
 - AcqDemo.Helpdesk@dau.mil
- ***DoD AcqDemo Website***
 - <http://www.acq.osd.mil/dpap/ops/acqdemo.html>
- **Army AcqDemo Program Manager**
 - Jerry Lee, jerold.a.lee@us.army.mil
 - <http://asc.army.mil/policies/AcqDemo.cfm>

AcqDemo

Design Review

- FY 1996, as amended in FY98 – Encourages SECDEF to conduct personnel demonstration project for the civilian acquisition workforce

AcqDemo is the first demo that crosses DoD Component lines; implemented with issuance of Federal Register Notice, 8 Jan 99.

- FY 2003 – Extends the duration of the AcqDemo through FY 2012
- FY 2004 – Changes participation limit from 95K to 120K

NSPS implemented across DoD in FY2006/2007; intended to become DoD standard personnel system

- FY 2010 – Directs NSPS termination and the transition of employees to the personnel system that last (or would have) applied
- FY 2011 – Extends AcqDemo through September 30, 2017

- Hiring and Appointment Authorities
- Position Classification
- Broadbanding
- Contribution-based Compensation and Appraisal System (CCAS)
- Special Situations Related to Pay
- Revised Reduction In Force (RIF)
- Academic Degree & Certificate Training
- Sabbaticals

- Simplified, Accelerated Hiring
 - Delegated Examining Process
 - Quality Group Rankings (70/80/90; no “rule of three”)
 - Scholastic Achievement Appointment
- Appointing Authorities
 - Perm (Career & Career Conditional)
 - Temp Limited (NTE 1 Yr + 1 yr)
 - Modified Term Appt (up to 5 years; + 1 yr)
- Voluntary Emeritus Program
- Extended Probationary Period

- OPM standards used for occupational series and titles
- Broadband factor descriptors used as classification standards
 - Problem Solving
 - Teamwork and Cooperation
 - Customer Relations
 - Leadership and Supervision
 - Communication
 - Resource Management
- Classification authority delegated to Commanders (Equivalent); Personnel Specialists provide advisory assistance
- Classification results in a Position Requirements Document (PRD)

EXAMPLE OF COMMUNICATION BROADBAND FACTOR DESCRIPTOR

NH I: Provides timely data and written analyses for input to management/technical reports or contractual documents.

NH II: Writes, or is a major contributor to, management/technical reports or contractual documents.

NH III: Review and approves, or is a major contributor to/lead author of, management reports or contractual documents for external distribution. Provides inputs to policies.

NH IV: Prepares, reviews, and approves major reports or policies of organization for internal and external distribution. Resolves diverse viewpoints/controversial issues.

Three Career Paths and Four Broadband Levels

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**2011 GS PAY TABLE
(w/o Locality Pay)**

- Contribution toward mission-based objectives is measured against the six factors Problem Solving - Teamwork and Cooperation - Customer Relations
Leadership and Supervision - Communication - Resource Management
- Descriptors/Discriminators provide benchmarks for scoring
- Current base salary establishes an Expected Contribution Range (ECR)
- Categorical and Numerical scores are assigned to each factor using established ranges based on level of contribution
- Factor scores are averaged to create Overall Contribution Score (OCS)
- OCS compared with Expected OCS to determine payout eligibility
- Rating cycle events the same as NSPS (Oct – Sep)

NH COMMUNICATION FACTOR DESCRIPTORS	DISCRIMINATORS
<p>BROADBAND LEVEL II</p> <ul style="list-style-type: none"> Communicates team or group tasking results, internally and externally, at peer levels. 	<ul style="list-style-type: none"> - Level of Interaction (Audience)
<ul style="list-style-type: none"> Writes, or is a major contributor to, management/technical reports or contractual documents. 	<ul style="list-style-type: none"> - Written
<ul style="list-style-type: none"> Presents informational briefings. 	<ul style="list-style-type: none"> - Oral
<p>BROADBAND LEVEL III</p> <ul style="list-style-type: none"> Communicates project or program results to all levels, internally and externally. 	<ul style="list-style-type: none"> - Level of Interaction (Audience)
<ul style="list-style-type: none"> Review and approves, or is a major contributor to/lead author of, management reports or contractual documents for external distribution. Provides inputs to policies. 	<ul style="list-style-type: none"> - Written
<ul style="list-style-type: none"> Presents briefings to obtain consensus/approval. 	<ul style="list-style-type: none"> - Oral

Contribution Score Ranges By Career Path

Categorical Scores

LEVELS		Business and Technical Professional	Technical Support	Administrative Support
		Point Range	Point Range	Point Range
IV	Very High	115	95	70
	High	96–100	79–83	
	Med	84–95	67–78	
	Low	79–83	61–66	
III	High	79–83	62–66	57–61
	Med	67–78	52–61	47–56
	Low	61–66	43–51	38–46
II	High	62–66	47–51	42–46
	M-H	51–61	41–46	
	Med	41–50	36–40	30–41
	M-L	30–40	30–35	
	Low	22–29	22–29	22–29
I	High	24–29	24–29	24–29
	Med	6–23	6–23	6–23
	Low	0–5	0–5	0–5

Numerical Scores

Expected Contribution Range Calculator

At the following website, you will find a calculator that will calculate the employee's expected contribution range (ECR).

Expected Contribution Range Calculator

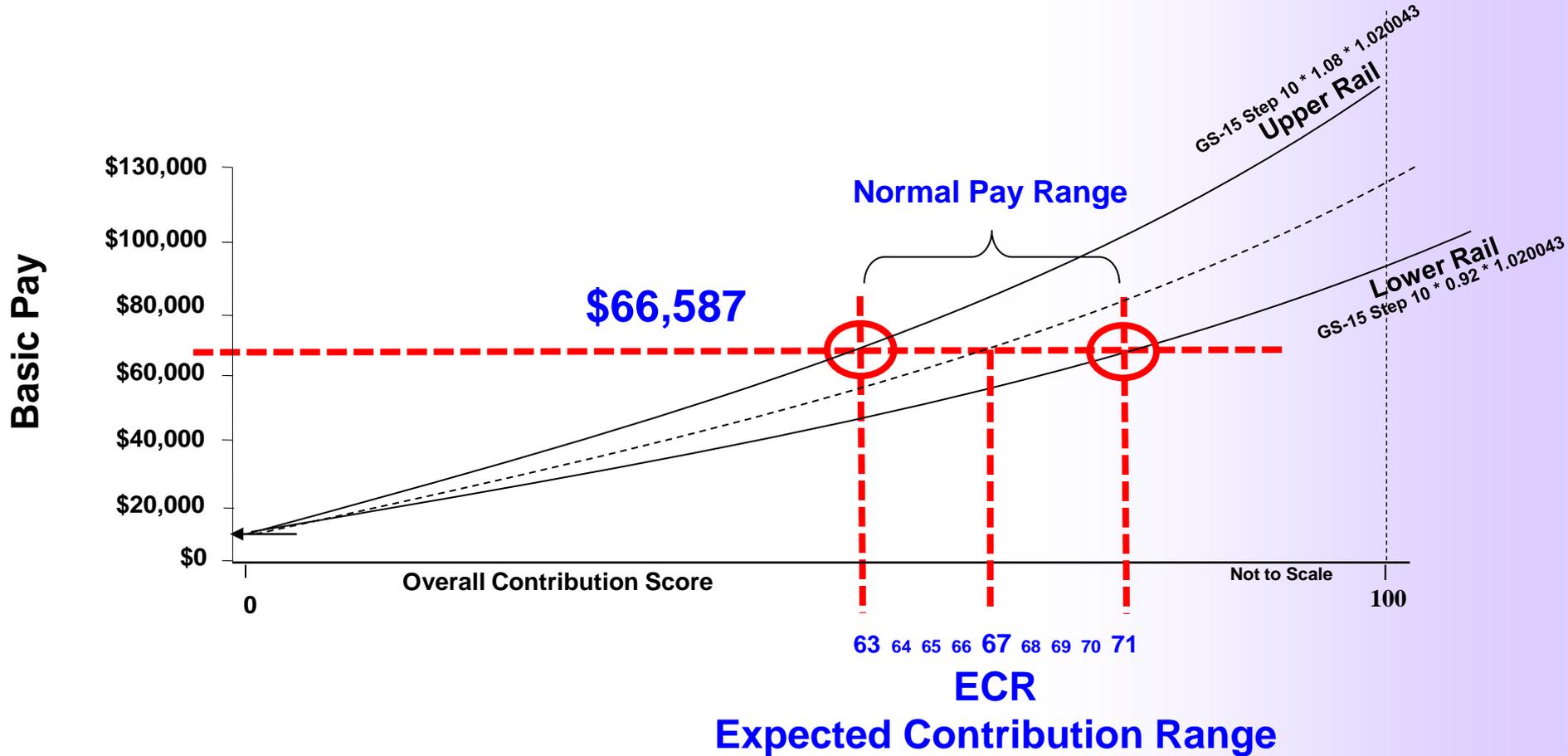
Base Salary Only

Expected Contribution Range

			Upper Rail	SPL	Lower Rail
Enter Base Salary	\$66,587	Expected Contribution Range =	63	67	71

http://asc.army.mil/organization/acqdemo/acqdemo_ccas.cfm

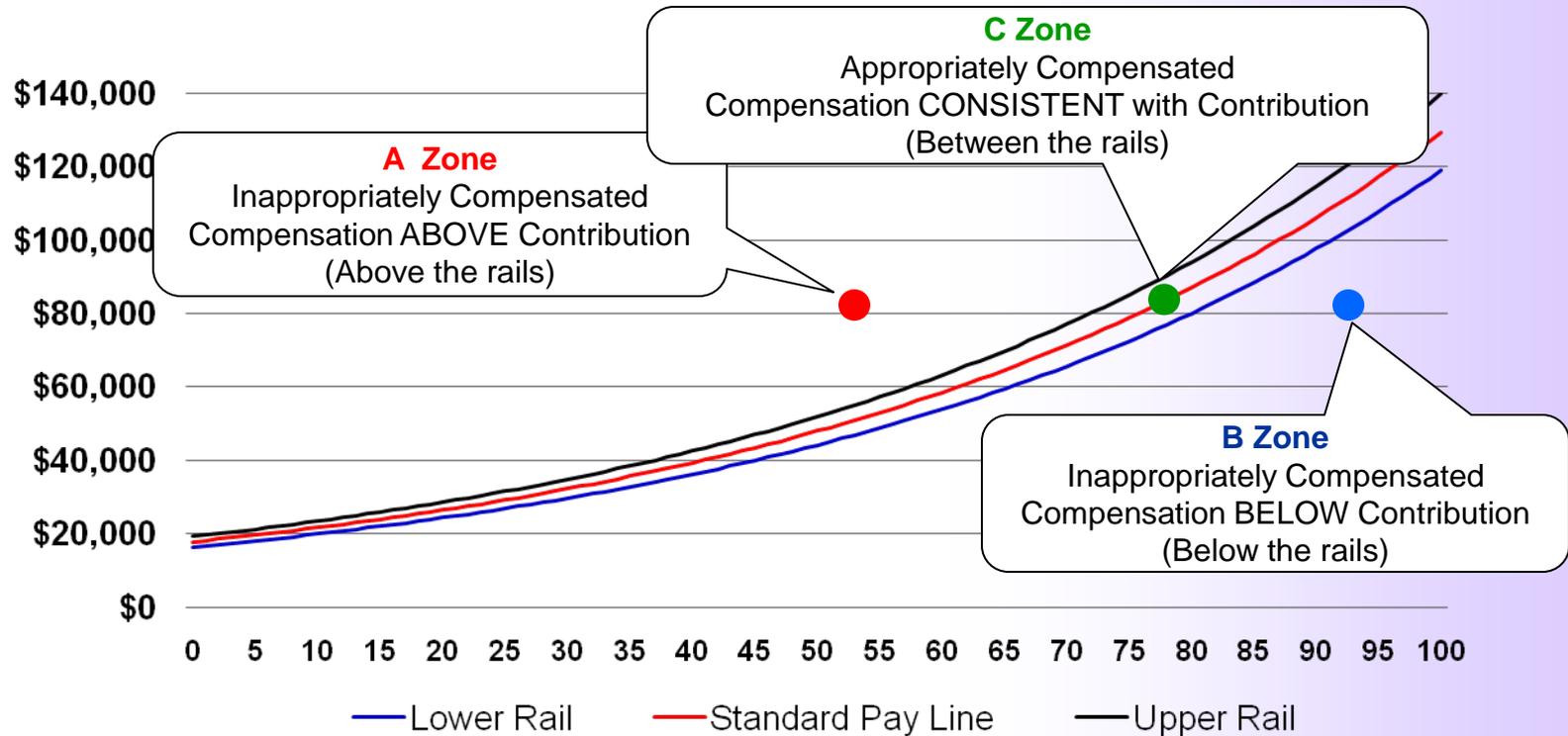
Base Salary and Expected Contribution Range (ECR)



Salary is consistent with contributions if OCS is 63 to 71

ACQDEMO DESIGN REVIEW

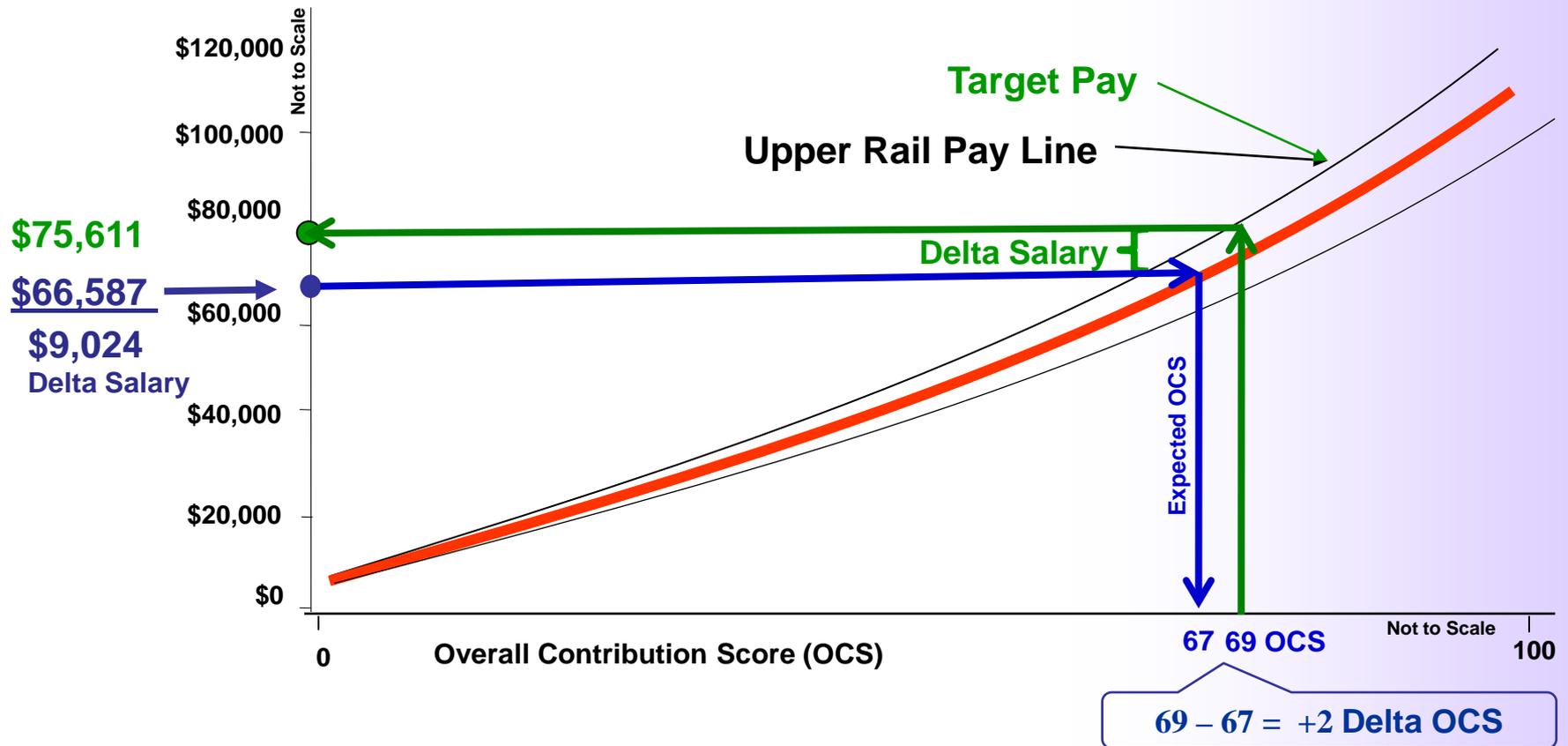
Contribution-Based Compensation and Appraisal System (CCAS)



Compensation Category	General Pay Increase	Contribution Rating Increase	Contribution Award	Locality Pay
A	Can be given in full, reduced or denied	No	No	Yes
C	Yes	Yes – up to 6%	Yes	Yes
B	Yes	Yes – up to 20%	Yes	Yes

Sample of Rated Level of Contribution

Base Pay



Base Pay for Rated OCS of 69 = \$75,611 vs 67 for a salary of \$66,587
 (creates a Delta OCS of 2 points and Delta Salary of \$9,024)

■ Pay Pool Funding



– Contribution Rating Increase (CRI) *(Equivalent to NSPS Element 1)*

- Was intended to be consistent with funds historically spent in GS on within-grade increases, quality-step increases and promotions between grades that are now banded
- Minimum of 2% of base salaries on board as of September 30th



– Contribution Awards (CA) *(Equivalent to NSPS Element 3)*

- Was intended to be consistent with funds historically spent in GS on performance awards
- Minimum of 1% of base salaries on board as of September 30th
 - 90% of the CA funding level will be distributed as CA
 - Remainder for incentive awards

■ Payout Calculations

– General Pay Increase (GPI)

- Full GPI amount given to all B and C zone employees
- Local decision for A zone employees to provide full or reduced amount or deny entirely

– Contribution Rating Increase (CRI)

- All base salaries as of September 30th are summed and multiplied by the CRI funding parameter for the CRI pay pool dollars
- All positive delta salary dollars are summed
- Resulting CRI pay pool dollars are divided by the sum of the positive delta salary amounts to determine percent of the positive delta salary that will be paid to each eligible employee as a salary increase

– Contribution Awards (CA)

- Resulting CA pay pool dollars are divided by the sum of the positive delta salary amounts to determine percent of the positive delta salary that will be paid to each eligible employee as a bonus

- Transition Pay Setting
 - Accelerated Compensation for Developmental Positions NOT a provision of AcqDemo
 - Up to 5% reassignment increase NOT a provision of AcqDemo
 - AcqDemo broadband pay ranges conform to GS pay scale
 - Transition may impact additional pay retention:
 - +5% over GS 15/10
 - NSPS Pay Band 2's classified to NH II Broadband
 - NSPS Pay Band 2 Supervisors classified to NH III Broadband
 - Pay retention status is indefinite for AcqDemo/GS vs 2 year period for NSPS
 - Pay Increase Adjustment:
 - NSPS employees pay ranges contain minimums below AcqDemo pay ranges
 - Pay adjusted to minimum of broadband upon conversion

- Pay Setting – Hiring
 - From Outside the Federal Government:
 - Pay set within broadband
 - From Within the Federal Government:
 - Lateral transfer from GS
 - WIGI buy-in
 - Reassignment from GS
 - WIGI buy-in
 - Pay setting within broadband optional
 - Promotions 6-20%

- Tenure – same as Title 5 / GS
- Veterans' Preference – same as Title 5 / GS
- Length of Service – Retention Service Credit adjusted by contribution ratings credit
 - A Zone (above the rails) receives 0 years credit
 - Exception for personnel on retained pay; receive 12 years credit
 - B and C Zone personnel receive 12 years credit
 - Other performance management system rating results may be applied to provide 3 year average of years of credit
 - Credit calculated by averaging 3 most recent ratings of last 4 years
 - Personnel without ratings receive 12 years credit

- Academic Degree & Certificate Training
 - Locally authorized and funded to include AcqDemo support positions (in addition to DAWIA personnel)
- Sabbaticals
 - Local authority approval
 - 3-12 month duration
 - Available to AcqDemo employees with 7+ years experience
 - Results in a product, service, report or study that benefits the acquisition community and increases the employee's effectiveness

...*per Federal Register*...each participating DoD Component shall either establish a **Personnel Policy Board**, or modify the charter of an existing group to:

- Oversee the civilian pay budget
- Address issues associated with separate pay systems
- Determine the composition of the Pay Pools
- Review operations of the Pay Pools
- Provide guidance to Pay Pool Managers
- Administer funds to pay pool managers
- Review hiring and promotion salaries
- Monitor award pool distributions by organization and DAWIA vs non-DAWIA
- Assess the need for changes to the demonstration project procedures and policies

Questions

???