

AcqDemo Aids Acquisition Mission Success

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It has been proven time and again that the Department of Defense (DoD) Acquisition Workforce Personnel Demonstration (AcqDemo) project enhances civilian personnel management policies and procedures to meet the needs of the acquisition workforce more effectively, ultimately yielding improved acquisition outcomes.

AcqDemo provides an inherently flexible human resource pay and personnel management system that recognizes and rewards employees based upon their contributions to mission accomplishment, and supports their personal and professional development, all while improving retention across the participating organizations. The Human Capital Initiatives (HCI) Directorate, under the Office of the Under Secretary of Defense for Acquisition, Technology, and Logistics (USD[AT&L]), manages the AcqDemo program across DoD. Seeking to improve efficiencies and flexibilities, HCI has recently collaborated with stakeholders to streamline processes and make significant improvements to AcqDemo.

These improvements, planned for introduction in the fall 2017, will simplify the contribution assessment process and enhance quality and professionalism of the Acquisition Workforce in the participating organizations. The added flexibilities in hiring, compensation, recognition, educational qualification screening, and the availability of sabbaticals will increase the quality of the workforce environment and make DoD more competitive with the private sector as an employer of talented acquisition professionals. The AcqDemo improvements and flexibilities will empower organizations

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and managers to exercise more effective management of the acquisition workforce. The updated AcqDemo will benefit the participating DoD Acquisition Organizations, Acquisition Managers and the Acquisition Workforce. This is a classic case of a "good thing that just got better."

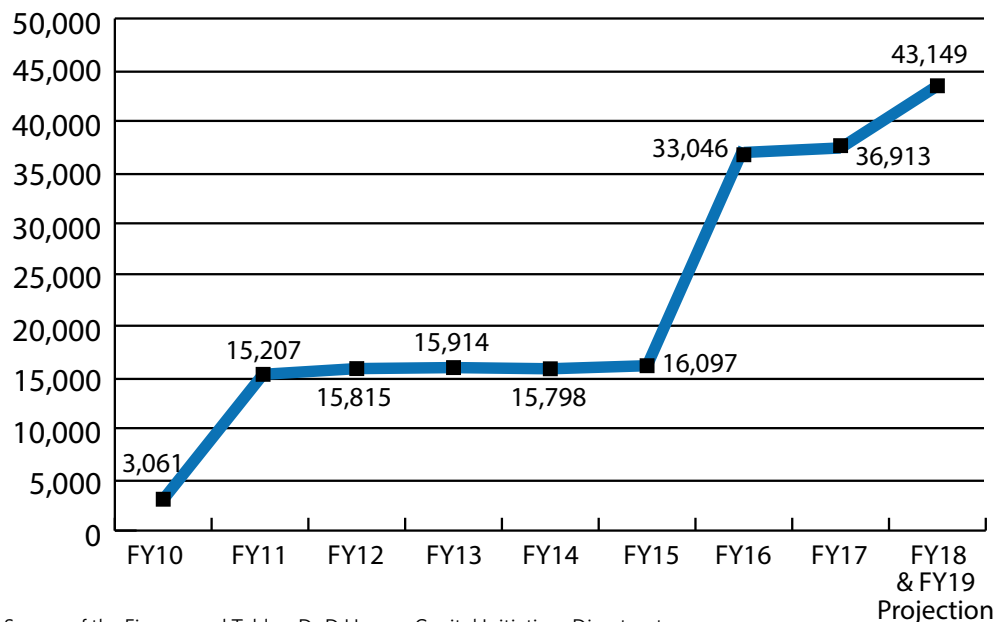
AcqDemo Background

In 1996, Congress authorized the DoD to conduct a personnel demonstration project for the civilian acquisition workforce, aptly named AcqDemo. The initial intent of AcqDemo was to enhance the effectiveness of personnel programs and processes across the DoD Acquisition

community. This was accomplished by using a Contribution-Based Compensation and Appraisal System (CCAS) that tied employee's compensation directly to their contributions. CCAS also empowered managers at the lowest level with increased flexibilities in recruitment, staffing, classification, performance management and employee development. The introduction of AcqDemo provided a dramatically different way of recognizing employee contributions vice the very inflexible General Schedule (GS) system that based salary increases on performance and longevity. In the GS system, civilian personnel are neither rewarded nor recognized for their contributions to the organization's mission.

Currently, AcqDemo has more than 37,000 participants and is forecast to number more than 43,000 by Fiscal Year (FY) 2019. Expansion has been continuous across DoD, and the number of participants doubled in FY 2016. Figure 1 shows the increase of the number of participants by fiscal year.

Figure 1. AcqDemo Growth and Expansion in Numbers of Participants



Source of the Figures and Tables: DoD Human Capital Initiatives Directorate.

AcqDemo Structure and Flexibility

There are two features of AcqDemo that make the project unique and advantageous for both employees and supervisors:

- Broadband pay ranges are utilized to classify employees.
- Employee appraisal system, which ties compensation to contribution to the organizational mission.

The broadband pay ranges provide significant flexibility for management to reassign employees to new positions within the AcqDemo project. When employees enter AcqDemo, they are assigned to one of three broad career paths based on their occupation: business management and technical management professional (NH), technical management support (NJ), or administrative support (NK). As shown in Table 1, the NH and NJ career paths each have four pay bands, and the NK career path has three pay bands. Each pay band corresponds to two or more GS grades, which is why the pay bands are referred to as broadbands. When employees enter AcqDemo, their supervisors have compensation-setting flexibility—they can establish the new employee's initial pay at any point within the broadband. Broadbands afford the greatest personnel management flexibility by granting supervisors the authority to reassign within the same broadband without changes in pay or job description.

Table 1. Broadband Ranges

| BUSINESS AND TECHNICAL MANAGEMENT PROFESSIONAL (NH) | | | |
|---|-----------------|-------------------|------------------|
| I (GS 1-4) | II (GS 5-11) | III (GS 12-13) | IV (GS 14-15) |
| TECHNICAL MANAGEMENT SUPPORT (NJ) | | | |
| I (GS 1-4) | II (GS 5-8) | III (GS 9-11) | IV (GS 12-13) |
| ADMINISTRATIVE SUPPORT (NK) | | | |
| I (GS 1-4) | II (GS 5-7) | III (GS 8-10) | |

Pay is linked to contribution through a process that evaluates the relative contribution to mission for each employee on a numerical scale that equates to pay. Pay Pools perform this evaluation, which is informed by employee self-assessments and direct supervisor appraisals.

Coming AcqDemo Improvements

The original AcqDemo Project Plan included streamlined hiring and appointment authorities; a Voluntary Emeritus Program; broadbands; simplified classification; combined classification and appraisal criteria (six factors); revised reduction-in-force procedures; CCAS; academic degree and certification training; and sabbaticals. The soon-to-be-published *Federal Register* notice features major improvements such as streamlined contribution factors (six to three); simplified accelerated hiring; CCAS updates; modified appointment authorities; simplified classification process; enhanced academic degree and certification training; expanded

candidate selection processes; modified Reduction in Force (RIF) process; student relocation incentives; and the Voluntary Emeritus Program. Most of the changes being introduced are flexibilities available to an organization that the organization must elect to utilize before incorporating them into the organization's process. Please consult your organization to see which flexibilities are available for your use.

Performance Appraisal Enhancements

Upon publication of the *Federal Register* notice, the HCI Acq-Demo Program Office will roll out the major enhancements in the FY 2018 performance cycle. The greatest enhancement is the reduction of the number of "contribution factors" in the CCAS—six to three (as shown in Figure 2). The reduction of factors is a highly anticipated change driven by feedback from the AcqDemo user community. The streamlining of factors helps employees and supervisors by eliminating factor redundancies and overlaps without forfeiting the key contribution factors. Figure 2 maps the contribution factors from the old to the new system.

A performance assessment has also been added to the new AcqDemo design. Although performance has always been a part of Acq-Demo, the design has been contribution focused. To appropriately capture performance, AcqDemo will incorporate a separate performance assessment, which uses the same criteria for evaluating contribu-

Figure 2. Six Classification Factors Into Three New Factors



tion, and enables employees to see the bigger picture during the appraisal period. The three levels of the performance criteria will be averaged and compared to the Performance Appraisal Quality Levels (as shown in Table 2), which will determine the rating of record (e.g., outstanding, full successful or unacceptable).

Recruitment and Staffing Enhancements

Direct hire authority gives managers and human resource professionals the option of making an on-the-spot tentative offer to candidates at recruiting events. If the candidate has the degree required by the Office of Personnel Management (OPM) and/or DoD standards covering acquisition or acquisition support positions, then he or she is eligible to receive a job offer. This includes the authority to appoint student interns and veteran candidates for acquisition positions in the critical acquisition career fields of business and technical management or technical management support, thereby increasing managers' ability to identify and hire the best candidate.

Table 2. Performance Appraisal Quality Levels

| Performance Appraisal Level | Performance Appraisal Level Quality Criteria |
|-----------------------------|---|
| Level 5—Outstanding | An employee's quality of performance exhibited in achieving his/her contribution results substantially and consistently surpasses the factor-specific expected contribution criteria and the employee's contribution plan goals and objectives. |
| Level 3—Fully Successful | An employee's performance consistently achieves, and sometimes exceeds, the factor-specific expected contribution criteria and his/her contribution plan goals and objectives. |
| Level 1—Unacceptable | An employee's performance fails to meet the expectations for quality of work and the required results for the goals and objectives set forth in his/her contribution plan for the appraisal cycle. |

Additional hiring flexibilities include:

- Scholastic achievement appointment—available to a wider range of candidates.
- Rule of Many—when there are 25 or fewer candidates for a position, the hiring manager, who knows the subject matter better than Human Resources personnel, will have the option of reviewing all the candidates to find the skills needed.
- Voluntary Emeritus Program—opens opportunities to military and civilian retirees who supported the Acquisition Workforce but were not in positions designated under the Defense Acquisition Workforce Improvement Act (DAWIA).

Also expanded supervisory and managerial probationary periods will afford adequate probationary periods so that current managers with significant responsibility for major programs can assess candidates for full-time position assignments. If

- Salary inequities exist between supervisory and non-supervisory employees' basic pay.
- It is difficult to fill team lead positions.
- Organizational level, scope and value of position warrant additional compensation.

The Very High Score provision allows for current scores in the NH, NJ, NK career paths to be raised above the current maximum of 100 (NH), 83 (NJ), and 61 (NK) to 115, 95, and 70, respectively; increasing managers' flexibility in rewarding employees whose contributions are at the very top of the pay band.

Accelerated Compensation for Developmental Positions permits employees to receive evaluations twice a year, at the mid-year point and at the end of the appraisal cycle with the target of accelerating compensation when the employee contribution and performance exceed expectations.

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the probationary supervisor doesn't work out in the position of increased responsibility, the organization can move him or her back to the previous supervisory or nonsupervisory position.

Reductions in force will now be based on performance rather than a longevity-based system.

Expanded detail and temporary promotion authority enables managers to fill open positions at a higher level of responsibility with existing employees beyond the current 120-day limit, for as much as 1 year within a 24-month period. For example, if an employee's supervisor is on extended leave, that employee in a lower broadband level may be temporarily promoted to a higher level of responsibility, with a higher salary, for 6 months. At the end of that period, if circumstances require, that employee could be temporarily promoted for another 6 months within the 24-month period.

Additional New Features

Supervisory and team-lead cash differentials provide local commanders with 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. Organizations can offer 5 to 10 percent over a person's base salary. Supervisory and team-lead cash differentials are applied under the following circumstances:

Special act awards of \$25,000 allows Service Acquisition Executives to award employees up to \$25,000; a significant increase over the current \$10,000 limit.

Another exciting update is the student intern relocation incentive, which will give local commanders or their designees the ability to approve relocation for new student interns whose worksite is in a different geographic location from the college/university in which they are enrolled or their permanent home residence. This incentive targets top talent for student internships and increases the opportunity for a follow-on hiring after graduation.

The sabbatical provision is open to all eligible employees with 7 years of federal civilian service completed. This provision expands the existing sabbatical provision, requiring a post-sabbatical service requirement 3 times the length of the employee sabbatical.

With all the changes taking place, we want organizations under AcqDemo to be able to incorporate the newly implemented enhancements, policy changes and software into their personnel procedures and practices as required to support their mission requirements. Communications and training on the new improvements have already begun and

we soon will provide additional information to your AcqDemo representative.

Join AcqDemo

We at HCI would like to invite all eligible acquisition organizations that have not yet opted to join AcqDemo to check out the improved AcqDemo and to see if it will be a good fit for your organization and your acquisition professionals. To participate, your organization must be listed in Table 1 of Appendix B of the AcqDemo *Federal Register* notice. If your organization is listed, the workforce must meet the following criteria: "at least one-third of the workforce participating in the demonstration project consist of members of the acquisition workforce; and at least two-thirds of the workforce participating in the demonstration project consist of members of the acquisition workforce and supporting personnel assigned to work directly with the acquisition workforce." (National Defense Authorization Act of 2004). For organizations that would like their bargaining unions to join the program, a written agreement between the organization and the union representing the workforce prior to joining AcqDemo is required to cover participation in and implementation of the demonstration project.


We are very pleased to help you determine the eligibility of your organization and if your agency is interested, we encourage you to contact the DoD AcqDemo Program Office via e-mail AcqDemo.Contact@hci.mil or your AcqDemo component representative.

AcqDemo is a proven and innovative solution. Recent growth that has more than doubled the number of employees par-

ticipating in AcqDemo indicates that more acquisition organizations are realizing that they need AcqDemo to be competitive with the private sector, other demonstration projects, and other federal agencies in attracting and retaining a high-quality workforce. AcqDemo's appointment and performance appraisal-related flexibilities are intended to help organizations achieve their mission by ensuring that they have a highly qualified and motivated workforce and by making them more agile and adept in responding to evolving mission needs or changes in the environment.

About HCI

René Thomas-Rizzo, a member of the Senior Executive Service, leads the HCI organization. She is the principal adviser to and senior leader on behalf of, the USD(AT&L) on all DoD-wide acquisition workforce strategy, policy and initiatives for the 160,000-plus member Acquisition Workforce (AWF).

HCI is responsible for assisting the USD(AT&L) in carrying out statutory powers, functions, and duties of the Secretary of Defense with respect to the Defense AWF and as it relates to DAWIA. In the increasingly fast-paced world of changing threats and evolving technologies, the DoD AWF supports the DoD objective to ensure our warfighters are ready to fight today and in the future. To accomplish this mission, the Office of the USD(AT&L) has put into place AcqDemo as an opportunity to provide a civilian personnel management system that meets the needs of the Acquisition, Technology, and Logistics community. 

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