

DoD to Add 20,000 Contracting Officers

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After years of unprecedented growth in contract spending and no growth in in-house staffing, the Defense Department plans to swell its acquisition workforce by 15 percent.

Secretary Robert Gates announced last week plans to hire 20,000 new acquisition professionals by 2015. Of those, 9,000 would be new jobs and 11,000 would convert from contractor-held positions. The shift would begin in 2010, with 1,600 new jobs and 2,500 conversions.

The positions will fill gaps identified in a recent workforce competency survey, Shay Assad, the department's acquisition policy director, said in an interview. They include contracting, engineering, evaluation, purchasing, financial, cost-estimating and auditing specialists.

"The secretary wanted to change the mix," Assad explained. "It wasn't necessarily, in some organizations, that we didn't have enough people. We just needed to change the mix from contractors to federal civilians because we felt those [jobs] were more appropriately performed by federal civilians."

The plan will add or bring in-house 800 specialists to address one of the biggest shortfalls identified in the study: the ability to estimate costs and prices of various services and solutions. In addition, the plan calls for 600 more auditors at the Defense Contract Audit Agency. Additional engineers and technical experts also will be hired by the Defense Contract Management Agency to evaluate companies' proposals for highly specialized equipment.

Gates also proposed in-sourcing by 2015 another 19,000 support jobs outside of the acquisition field currently performed by contractors. The department has not explained what those jobs are. This would bring the total number of planned additional staff to 39,000 by 2015.

In-sourcing would "reduce the number of support service contractors from our current 39 percent of the Pentagon workforce to the pre-2001 level of 26 percent and replace them with full-time government employees," Gates said.

Defense spending on goods and services more than doubled between 2001 and 2008, from \$145 billion to \$388 billion, according to the Government Accountability Office. At the same time, the number of in-house acquisition staff has remained stable.

"To supplement this in-house acquisition workforce, DoD relies heavily on contractor support," GAO reported last month. GAO said that managers at 31 program offices it reviewed said they hired contractor employees who possessed skills that their in-house staffs lacked. The managers said they used contractors because they lacked funding to hire enough full-time employees and because the process to hire people took so long.

Getting more staff on board

Assad said the department will use streamlined hiring authorities, such as direct hire authority, to bring new employees on quickly. Many new hires will start as interns and go through extensive training, with the goal of developing lifelong feds, he said.

Attracting qualified candidates shouldn't be a problem, he said. The economic crisis has opened a new pool of applicants, particularly in the financial sectors, he said.

Some portions of Defense are already moving to shorten their hiring procedures. The Air Force now allows managers to use direct hire authority to fill acquisition positions, meaning qualified candidates don't have to go through the normal competitive hiring procedures. Direct hire authority allows agencies to hire qualified candidates after posting a position publicly without having to go through the time-consuming competitive rating and ranking processes.

This shortens hiring times from roughly five months to only two weeks, said Michelle Siples, an Air Force human resource specialist at the Air Force Personnel Center.

Since the Air Force started using direct hire authority, it has hired 17 people, Siples said. The Air Force has approximately 1,500 acquisition vacancies that can be filled using the streamlined hiring process. Depending on how details of Gates' plan are decided by Congress, that number could grow.

To in-source work, the department will not renew affected contracts when they expire. Those jobs will then be posted publicly, meaning the affected contractor employees and others could apply for those jobs. But the Defense Department could use direct hire authority to hire qualified applicants quickly, Assad said.

Industry is skeptical

But industry is skeptical whether employees can be hired quickly enough to make the five-year plan a success.

"They need a transition plan with realistic expectations about the ability to convert people," said Stan Sloane, president of SRA International, a large government contractor that provides acquisition support services, among others, to Defense.

Defense needs to consider the experience of contractors performing work that will be insourced. "You can recruit 11,000 college students, but that won't help you get the experience level you need," Sloane said.

Assad said he anticipates displaced contractors will apply for the new government openings. But many of the contractor employees being replaced are retired federal employees, said Robin "Pug" Gutridge, president of Cherokee Information Services, an acquisition support firm. These workers might not want to return to government service. If they do, they would need assurances their retirement checks wouldn't be affected, he said. Assad said the department is seeking special authorities to rehire some annuitants, but it is also looking to create a long-term workforce by hiring younger people.

Also, while the high rates of unemployment may help bring in new hires, the government still faces a competitive market for skills such as engineering and contract specialists, said Stan Soloway, president of the Professional Services Council. Government doesn't offer the rapid hiring, compensation and work-life balance many private firms can, he said. In addition, acquisition personnel are frequently the targets of blame when things go wrong, making those jobs less attractive, he said.

Soloway also questioned the necessity for the conversions. If the jobs hold sway over government decisions, it's wise to bring them in house, Soloway said. "But the presumption that contractors should not perform any functions in an acquisition organization is both unreasonable and unnecessary," he said. In cases where the skills aren't critical, it may not be cost-effective to hire full-time employees with benefits and employment rights, he said.

Sloane acknowledged some rebalancing of the contractor and federal workforce needs to occur. While in-sourcing may cause some pain to industry, in the long term, the right balance will benefit everyone, he said. The lack of balance today has hurt in-house experience in procurements, causing increases in bid protests, delays in delivery and other acquisition problems, he said.