

EXECUTIVE OFFICE OF THE PRESIDENT OFFICE OF MANAGEMENT AND BUDGET WASHINGTON, D.C. 20503

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MEMORANDUM FOR CHIEF ACQUISITION OFFICERS SENIOR PROCUREMENT EXECUTIVES

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SUBJECT: Building our Best: Recruitment and Retention of the Contracting Workforce

1. **Purpose**. Last year, the Federal Government purchased over \$750 billion of goods and services through contracts awarded by tens of thousands of acquisition professionals whose business acumen, analytic and research skills, and judgment are critical to the success of agency missions. As the largest buyer of goods and services in the world, the Federal Government relies heavily on this workforce – the most important element of our successful federal acquisition system - to deliver best value solutions and ensure that the acquisition system is working for all Americans. To ensure we have a pipeline of acquisition talent at all levels and to ensure we can meet the challenges of the future, this memorandum establishes a blueprint for prioritizing the recruitment and retention of contracting professionals.

On August 14, 2024, the Office of Management and Budget (OMB) and the Office of Personnel Management (OPM) released M-24-16, "Improving the Federal Hiring Experience," which describes a comprehensive set of policy, operational, and technical initiatives related to talent.¹ This memo aligns with several initiatives in M-24-16, including strengthening strategic workforce planning, expanding the adoption of pooled hiring practices and shared certificates, and creating and sustaining agency Talent Teams.

The Office of Federal Procurement Policy (OFPP) recently established a training and development framework based on modern adult-learning principles that promotes a culture of innovation within acquisition, encourages lifelong learning, and advances the use of acquisition data as a strategic asset. This new Federal Acquisition Certification in Contracting (Professional) now allows civilian agency contracting professionals to have parity with their Department of Defense counterparts, thus promoting career mobility and strengthening the acquisition function in all agencies.

Recently, OFPP launched the Better Contracting Initiative (BCI) as part of the President's Management Agenda² to focus our collective efforts on taking an enterprise-wide approach to

¹ M-24-16-Improving-the-Federal-Hiring-Experience.pdf (whitehouse.gov)

² www.performance.gov

buying common goods and services and to seek better value through the use of a four-pronged strategy:³

- a. Leveraging data across federal agencies to get lower prices and better terms.
- b. Negotiating common enterprise-wide software licenses.
- c. Saving money and avoiding waste by getting contract requirements right the first time.
- d. Getting better value from high-risk and other high-priority contracts.

As we implement BCI and continue our enterprise-wide approach to category management, equity, innovation, environmental stewardship and other important areas of focus, we must ensure we have the capability and capacity in our acquisition workforce to support this critical work.

Research⁴ has shown that the number of early careers of contracting professionals lags behind the number of early career federal professionals. To increase agencies' focus on the challenge of recruitment and retention of the contracting workforce, especially the early career workforce, this memorandum sets the foundation for identifying and developing talent across the federal contracting enterprise as follows:

- a. Establishes a new workforce committee comprising thought leaders to develop an enterprise-wide approach to recruitment and retention of this vital sector of the federal workforce along with guiding agency paths to success.
- b. Focuses attention on these challenges by monitoring progress in identifying hiring and staffing requirements for the contracting workforce and identifying barriers to meeting targets.
- c. Requires agencies to offer programs for growth and development and strengthen front-line contracting offices in order to best support their contracting professionals.

The guiding principles in Appendix A will help further transform the acquisition function into an environment welcoming creative, innovative acquisition professionals that seek the best value for taxpayer dollars.

- 2. **Authority**. This memorandum is issued pursuant to the OFPP Act, 41 U.S.C. § 1101 et. seq.
- 3. **Applicability**: This policy applies to all executive agencies, except the Department of Defense (DOD).⁵
- 4. **Recruitment**. Agencies have been focusing on attracting, hiring, developing and empowering talented acquisition professionals, with some agencies having more success than others. An enterprise-wide approach, where agencies share hiring certificates, best practices, and successful approaches, can help every agency to be successful. OFPP is establishing new requirements to tackle recruitment of contracting professionals across all civilian agencies.
 - a. **Establish the Acquisition Workforce Advisory Committee.** In FY 2025 Q2, a crossagency Acquisition Workforce Advisory Committee (AWAC) will be established to

³ FACT SHEET: Biden-Harris Administration Announces New Better Contracting Initiative to Save Billions Annually | OMB | The White House

⁴ <u>FedScope - Federal Workforce Data - OPM.gov</u> shows that in September 2023, 21% of federal employees were in grades 5 thru 9, 12% of DoD contracting professionals were in those grades, and only 8% of civilian agency contracting professionals were in grades 5 thru 9.

⁵ Department of Defense (DoD) acquisition workforce members will continue to follow DoD policy.

guide OFPP and agencies in their enterprise-wide recruitment and retention initiatives. The AWAC will be chartered under the Federal Acquisition Institute (FAI) Board of Directors with co-chairs from OFPP and a leading agency along with technical advisory support from OPM. This group will comprise experts and thought leaders from federal agencies to guide the community's efforts to address the most impactful issues, and share best practices, remove hiring roadblocks, ⁶ and foster successful results in acquisition recruitment. For example, one of the first action items will be for agency Senior Procurement Executives (SPEs) to provide their top three hiring challenges and top 3 retention initiatives to the AWAC. Also, the AWAC will establish periodic orientation sessions for agency contracting professionals new to the federal government or new to the contracting field to orient them to the Federal acquisition enterprise and its value proposition, help them understand resources available for their work and career, and help build networks. This forum will also foster sharing initiatives and best practices for hiring and retaining early career contracting professionals.

b. Strategic Workforce Planning.

- 1) **Strategic Workforce Plans**. SPEs and Heads of Contracting Activities (HCAs) shall work closely with their agency Chief Human Capital Officers (CHCOs) and Chief Financial Officers (CFOs) on agency strategic workforce plans required under M-24-16. Agencies should identify specific actions in their Human Capital Operating Plan (HCOP) to address contracting staffing gaps. These plans ensure that resources, billets and work needs are aligned in support of strategic priorities. OPM's November 2022 "Workforce Planning Guide" has information and templates regarding analyzing the workforce, identifying gaps, and implementing workforce action planning efforts that may be helpful.⁷
- 2) **Set Annual Hiring and Staffing Targets.** To advance President's Management Agenda (PMA) workforce priority goals and strategies and in accordance with "Agency Actions Requested on Success Metrics Related to the Workforce Priority of the President's Management Agenda," dated November 30, 2022, agencies are required to set mission-critical occupation (MCO) hiring and staffing targets. If contracting is currently identified as a governmentwide MCO that all CFO Act agencies report on annually to OPM through the PMA reporting requirements, the SPE shall share the hiring and staffing targets for contracting professionals with their Chief Human Capital Officer (CHCO) and OFPP.
- 3) Leveraging Hiring Actions Across Agencies. In accordance with M-24-16, to maximize access to talent and to enhance hiring coordination across agencies, SPEs and HCAs shall encourage and support the adoption of pooled hiring practices for cross-government hiring actions and shall participate in shared hiring certificates. SPEs and HCAs shall connect with agency Talent Teams to enable strategic recruitment and innovative hiring actions for contracting professionals.
- 5. **Retention**. Many factors affect agency success in retaining its contracting workforce. While many strategies have been implemented to improve job satisfaction, engage employees, and

⁶ As we work to improve recruitment of acquisition professionals, agencies should be mindful of roadblocks to hiring applicants from outside the Federal government, such as unnecessarily requiring the Federal Acquisition Certification in Contracting (FAC-C) (Professional).

⁷ Workforce Planning Guide (opm.gov)

⁸ PMA Workforce Priority Metrics Memo (chcoc.gov)

promote career growth for contracting professionals, additional steps may be necessary to ensure agencies are prepared for the future. Agencies shall strengthen front-line contracting offices in order to best support their contracting professionals. Contracting leaders at all levels should create a culture that fosters innovation and empowers their employees. Only then will contracting professionals be able to support the agency mission most effectively while achieving the promise of a rewarding government contracting career. At a minimum, agencies shall:

- a. **Promote Leadership Training.** Agency SPEs and HCAs shall promote leadership and soft skills training for every level of contracting professional. Obtaining leadership and soft skills early in a contracting career will give these professionals the skills they need for success. Building upon requirements for training and developing leaders, SPEs shall collaborate with their CHCOs to develop strategies and plans to ensure every contracting team lead and supervisor has recently had or receives leadership training and development, along with periodic follow-up training. The leadership training content is at the discretion of the agency and the training may go toward employee continuous learning requirements. The Federal Acquisition Institute (FAI) is available to assist agencies in understanding what leadership courses are available and options for assigning training in the enterprise learning management system (e.g., agency learning assignments and development plans). FAI currently offers the Mid-Level Leadership for Acquisition Workforce Professionals Credential and will look into establishing other acquisition leadership credentials. The AWAC will facilitate the sharing of best practices for these efforts.
- b. **Take Advantage of Performance Benchmarking to Gauge Satisfaction.** A variety of tools can be used at the discretion of the SPE to gauge satisfaction with the organization's performance by customers, vendors, and other stakeholders, including Acquisition360, ¹⁰ Federal Employee Viewpoint Survey (FEVS), performance appraisals, and GSA's Data to Decisions (D2D) platform. ¹¹ The AWAC will offer approaches and metrics for SPE consideration and will facilitate the sharing of best practices for these efforts.
- c. Offer Programs for Growth and Development. Offering programs for growth and development is essential for retention of federal contracting professionals. Building on existing agency initiatives and in collaboration with agency CHCOs, by the end of FY2025 Q4, SPEs and HCAs shall establish a retention program targeted to contracting professionals at all levels. Initiatives found to be successful include experiential assignments, internships, cohort-based learning, shadowing, networking opportunities, exit and stay interviews, challenging and meaningful assignments, coaching, mentoring, rotational assignments, highlighting the impact of the work on the agency mission, programs focused on rising stars and exceptional achievements at all levels. The AWAC shall facilitate the sharing of best practices for these efforts and shall host bi-annual workshops beginning in FY2026 Q1 to share these practices.

⁹ <u>5 CFR, Part 412</u>, particularly §412.202, "Systematic training and development of supervisors, managers, and executives" requires agencies to provide for the development of individuals in supervisory, managerial and executive positions.

¹⁰ See <u>FAR 1.102-3</u>, Evaluating agency acquisition processes

¹¹ D2D (gsa.gov)

- d. **Reduce Unnecessary Burdens.** Many agencies and bureaus add direction and guidance on top of governmentwide policies. While this may be necessary in some circumstances, these additional guidance documents may complicate the process without benefit. Agencies should consider performing an acquisition policy and process review at least every two years or so to remove duplicative and unnecessary policies, bureaucratic processes, and other burdens upon acquisition professionals that hinder their innovation and empowerment. The AWAC will share efforts and results in reducing these burdens.
- 6. **OFPP Support**. In recognizing the importance of these efforts and its leadership role in supporting agencies and the acquisition workforce, OFPP will co-lead the AWAC and offer support in such efforts as working with OPM and Congress to restore and broaden Direct Hire Authority for contracting professionals, increasing experiential opportunities as part of the training framework for acquisition workforce professionals, and collaborating with the AWAC and FAI to establish a one-stop information source on acquisition workforce recruitment and retention on FAI's human capital planning page. ¹²

Attachments

Appendix A – Guiding Principles and Values

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¹² Available at <u>Human Capital Planning | FAI.GOV</u>

Appendix A. Guiding Principles and Values.

We have developed a set of guiding principles and values that will help further transform the acquisition function into an environment welcoming creative, innovative acquisition professionals that seek the best value for taxpayer dollars. This is not an exhaustive list, but reflect a set of core considerations that build on and embrace the values espoused in the PMA of equity, dignity, accountability, and results

- a) *Innovate to improve common business processes*. Remove unnecessary bureaucracy from the acquisition process, develop customer-oriented processes, and improve the customer experience.
- b) Promote hi-definition acquisition data and the use of emerging technology. This will increase the pace of the acquisition process by automating repetitive processes consisting of "programmed decisions." Emerging technology will also help the acquisition professional make fast and better decisions by rapidly providing the right data and information.
- c) Focus on strategic activities. De-emphasize a compliance and check-the-box mentality and prioritize business acumen in decision-making, innovation, critical thinking and professional judgment.
- d) *Build interdisciplinary networks*. Promote teamwork and collaboration across the entire federal acquisition ecosystem and from various functions so that these networks are the norm, not the exception.
- e) *Promote organizational diversity*. A wide array of employee backgrounds and different perspectives help to promote collaboration critical-thinking among the staff.
- f) *Modernize the learning environment*. Create an environment in which acquisition workforce members:
 - use an abundant set of process automation and artificial intelligence tools to drive personalized learning,
 - Have access to job aids, self-service analytics, collaboration tools, and other tools at the time of need to help them make the best decisions,
 - Learn new disciplines, such as data science, market intelligence, and supply chain management,
 - Learn the art of acquisition through the most suitable modes of learning for professionals, e.g., experiential and continuous learning, and
 - Gain valuable perspective through diverse experiences, e.g., rotational assignments with industry, other functional offices, and other agencies.