Report No. DODIG-2013-078 May 1, 2013

Inspector General
United States Department of Defense

TRICARE Management Activity Needs to Improve Oversight of Acquisition Workforce

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Acronyms and Abbreviations

ACM	Acquisition Career Manager
AM&S	Acquisition Management and Support Directorate
AT&L	Acquisition, Technology, and Logistics
CAE	Component Acquisition Executive
CAP	Critical Acquisition Position
CMID	Contract Management Information Database
COR	Contracting Officer's Representative
CORT Tool	Contracting Officer Representative Tracking Tool
DAU	Defense Acquisition University
DAWIA	Defense Acquisition Workforce Improvement Act
FASCLASS	Fully Automated System for Classification
KLP	Key Leadership Position
OUSD(AT&L)	Office of the Under Secretary of Defense for Acquisition, Technology, and Logistics
PEO	Program Executive Officer
PD	Position Description
PM	Program Manager
TMA	TRICARE Management Activity

INSPECTOR GENERAL
DEPARTMENT OF DEFENSE
4800 MARK CENTER DRIVE
ALEXANDRIA, VIRGINIA 22350-1500

May 1, 2013

MEMORANDUM FOR UNDER SECRETARY OF DEFENSE FOR ACQUISITION, TECHNOLOGY, AND LOGISTICS
DIRECTOR, TRICARE MANAGEMENT ACTIVITY

SUBJECT: TRICARE Management Activity Needs to Improve Oversight of Acquisition Workforce (Report No. DODIG-2013-078)

We are providing this report for review and comment. TRICARE Management Activity acquisition personnel did not have required certifications for their functional areas, accurate position descriptions for their assigned duties, or proper training. As a result, TRICARE Management Activity officials could not verify and be assured that the right people with the right skills were involved in the acquisition process. Thus, the TRICARE Management Activity was at an increased risk for fraud, waste, and abuse. We considered management comments on a draft of this report when preparing the final report.

DoD Directive 7650.3 requires that all recommendations be resolved promptly. The Assistant Secretary of Defense for Acquisition responded on behalf of the Under Secretary of Defense for Acquisition, Technology, and Logistics; and the Director, TRICARE Management Activity, commented on a draft of this report. The Director's comments on Recommendation 1 were responsive. Comments from the Assistant Secretary of Defense for Acquisition on Recommendation 2 were partially responsive. Therefore, we request that the Under Secretary of Defense for Acquisition, Technology, and Logistics, provide additional comments on Recommendation 2 by May 31, 2013.

If possible, send a Microsoft Word (.doc) file and portable document format (.pdf) file containing your comments to audyorktown@dodig.mil. Copies of your comments must have the actual signature of the authorizing official for your organization. We are unable to accept the /Signed/ symbol in place of the actual signature. If you arrange to send classified comments electronically, you must send them over the SECRET Internet Protocol Router Network (SIPRNET).

We appreciate the courtesies extended to the staff. Please direct questions to me at (703) 604-8866 (DSN 664-8866).

Alice F. Carey
Assistant Inspector General
Readiness, Operations, and Support

Results in Brief: TRICARE Management Activity Needs to Improve Oversight of Acquisition Workforce

What We Did

We assessed the status of efforts to improve the TRICARE Management Activity (TMA) acquisition program. Specifically, we determined whether the TMA acquisition workforce was adequately trained and certified.

What We Found

TMA acquisition personnel did not have required certifications for their functional areas, accurate position descriptions for their assigned duties, or proper training.

For the 237 personnel identified in the acquisition workforce, 52 (22 percent) did not achieve certification required for their positions, 70 (29 percent) did not have position descriptions with critical acquisition designators, and 83 (35 percent) did not have position descriptions with certification requirements.

For the 32 personnel designated as critical acquisition positions or key leadership positions, none met all the requirements of the position, and 14 personnel did not have position descriptions with critical acquisition designators. Additionally, position descriptions for 34 (14 percent) of the 237 personnel included a critical acquisition position designation. However, TMA officials did not identify the personnel as holding critical positions.

Also, of the 12 contracts reviewed, TMA acquisition personnel did not provide documentation that contracting officer's representatives for 9 contracts, valued at $39 million, were properly assigned before the contract award. Of those same contracts reviewed, 9 contracts, valued at $62 million, did not have trained contracting officer's representatives before the contract award.

This occurred because the component acquisition executive did not have procedures to adequately monitor the acquisition workforce and did not place the required emphasis on the identification, development, training, and assignment of acquisition workforce personnel. As a result, TMA officials could not verify and be assured that the right people with the right skills were involved in the acquisition process. Thus, TMA was at an increased risk for fraud, waste, and abuse.

What We Recommend

We recommend that the Director, TMA, place additional emphasis on the identification and oversight of the acquisition workforce by establishing quality assurance procedures to ensure identification, assignment, certification, and training of the acquisition workforce, and implementation and use of the Contracting Officer Representative Tracking Tool. Additionally, the Under Secretary of Defense for Acquisition, Technology, and Logistics, should perform a comprehensive review of TMA's progress on meeting compliance with identification, assignment, certification, and training of the acquisition workforce; progress on implementation and use of the Contracting Officer Representative Tracking Tool; and compliance with proper contracting procedures.

Management Comments and Our Response

The Assistant Secretary of Defense for Acquisition responded on behalf of the Under Secretary of Defense for Acquisition, Technology, and Logistics; and the Director, TMA, commented on a draft of this report. Comments from the Director, TMA were responsive. Comments from the Assistant Secretary of Defense for Acquisition were partially responsive. Therefore, we request that the Under Secretary of Defense for Acquisition, Technology, and Logistics, provide additional comments. Please see the Recommendations Table on the back of this page.

Recommendations Table

Management	Recommendations Requiring Comment	No Additional Comments Required
Under Secretary of Defense for Acquisition, Technology, and Logistics	2	
Director, TRICARE Management Activity		1.a.,1.b.,1.c.(1),1.c.(2), 1.c.(3),1.c.(4),1.c.(5)

Please provide comments by May 31, 2013.

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Introduction

Objective

Our objective was to assess the status of efforts to improve the TRICARE Management Activity (TMA) acquisition program. Specifically, we determined whether the TMA acquisition workforce was adequately trained and certified. See Appendix A for a discussion of our scope and methodology.

Defense Acquisition Workforce Improvement Act and Defense Acquisition Corps

In 1990, Congress enacted the Defense Acquisition Workforce Improvement Act (DAWIA), amended January 3, 2012, to improve the effectiveness of the civilian and military acquisition workforce through enhanced education, training, and career development and, thereby, improve the acquisition process. DAWIA requires DoD to establish career paths for its employees who want to pursue careers in acquisition.

The Office of the Under Secretary of Defense for Acquisition, Technology, and Logistics (OUSD[AT&L]) manages the Defense Acquisition Corps (Acquisition Corps). The Acquisition Corps is a pool of highly qualified members of the Acquisition, Technology, and Logistics (AT&L) Workforce used to fill critical acquisition positions (CAPs) and key leadership positions (KLPs). Also, the Acquisition Corps consists of individuals who met DAWIA standards and received approval from the USD(AT&L) or the component acquisition executive (CAE).

TRICARE Management Activity and Acquisition Management

TMA is responsible for managing the TRICARE health care program that serves over 9.7 million active duty Service members, National Guard and Reserve members, retirees, their families, survivors, and certain former spouses worldwide. As a major component of the Military Health System, TRICARE brings together the health care resources of the uniformed Services and supplements them with a network of civilian health care professionals, institutions, pharmacies, and suppliers to provide access to high quality, health care services while maintaining the capability to support military operations.

The CAE is responsible for all acquisition functions at TMA. The CAE, appointed by the Secretary of Defense, develops and maintains an acquisition career management program to ensure the development of a competent, professional acquisition workforce that supports TMA's mission. The CAE identifies TMA's AT&L Workforce positions and implements a budget strategy that reflects the acquisition workforce's developmental needs and TMA's organizational structure. Additionally, the CAE assesses the current

skills of his acquisition workforce; identifies short and long-term needs; and establishes plans, including recruitment and retention strategies, for obtaining the resources and skills that the acquisition workforce needs to meet TMA's future mission requirements. The CAE responsibilities reside with the Director, TMA.

The acquisition career manager (ACM) is responsible for ensuring that the TMA Acquisition Career Management Program and TMA's acquisition workforce meet statutory requirements. Specifically, the ACM manages the identification and development of the acquisition workforce, including identifying staffing needs, training requirements, and other workforce development strategies.

The TMA Acquisition Management and Support Directorate (AM&S) operates as the primary contracting activity supporting TMA's mission. The mission of the AM&S is to provide acquisition support to the Military Health System through effective business relationships and transactions. TMA had an acquisition budget of $18.8 billion in FY 2012.

DoD Training and Certification

In DoD, DAWIA certification is a means of determining whether personnel are properly trained and qualified for a specific job. The DAWIA certification process includes basic or core competencies that the acquisition workforce must complete and includes functional competencies tailored to specific career fields. The basic, core, and functional competencies include the knowledge, skills, and abilities necessary to facilitate business decisions that help DoD deliver goods and services to the warfighter. Consequently, agencies expect a person in an acquisition workforce position to possess the DAWIA competencies to perform in his or her current assignment.

The AT&L Workforce is composed of 15 specific career field/positions, including Program Management; Contracting; Business, Cost Estimating, and Financial Management; Information Technology; Production, Quality, and Manufacturing; Systems Planning, Research, Development and Systems Engineering; and Test and Evaluation. Civilian personnel from various occupational series fill these career field/positions. TMA uses the training and certification levels that the Defense Acquisition University (DAU) establishes in the DAU Career Field Certification and Core Plus Development Guides. DAU has a guide for each level: Level 1 (Entry), Level II (Intermediate), and Level III (Advanced). DAU divides the guide into at least four major sections: Types of Assignments, Core Certification Standards, Unique Position Training Standards, and Core Plus Development Guide. To achieve certification, acquisition workforce personnel must meet core acquisition training, functional training, education, and experience standards before applying for certification through their respective DoD Component processes.

Personnel in the AT&L Workforce typically have 24 months[1] from the time that they assume an acquisition position to meet these standards.

DoD Instruction 5000.66, "Operation of the Defense Acquisition, Technology, and Logistics Workforce Education, Training, and Career Development Program," December 21, 2005, states that the heads of DoD Components must design policies and processes to ensure that agencies select the best qualified persons for AT&L Workforce positions. The Instruction also states:

> the primary objective of the AT&L Workforce Education, Training, and Career Development Program is to create a professional, agile, and motivated workforce that consistently makes smart business decisions, acts in an ethical manner, and delivers timely and affordable capabilities to the warfighter.

Section E2.2.7 of the Instruction defines certification as the level to which a member of the AT&L Workforce achieved functional and core acquisition competencies required by a specific career field.

Internal Controls Not Effective for Maintaining Oversight of TRICARE Management Activity's Acquisition Workforce

DoD Instruction 5010.40, "Managers' Internal Control Program (MICP) Procedures," July 29, 2010, requires DoD organizations to implement a comprehensive system of internal controls that provides reasonable assurance that programs are operating as intended and to evaluate the effectiveness of the controls. We identified internal control weaknesses in the identification, certification, and training of TMA's acquisition workforce. Specifically, the CAE did not have procedures in place to monitor the proper identification, development, and training of acquisition workforce personnel. Additionally, the CAE did not properly manage CAPs and KLPs and did not establish a process to monitor and designate properly trained contracting officer's representatives (CORs) before the contract award occurred. We will provide a copy of the report to the senior officials at TMA.

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[1]In a September 7, 2011, memorandum, the Director, Defense Procurement and Acquisition Policy and Director, Human Capital Initiatives, granted a 16-month extension to acquisition workforce members encumbering contracting coded positions, as of September 30, 2011, and who did not meet their training standards. Therefore, those members would have 40 months instead of 24 months (from their position start date) to achieve the DAWIA certification level that their career field/positions require under the new standards.

Finding. Acquisition Workforce Oversight Was Not Effective

TMA acquisition personnel did not have the required DAWIA certifications[2] for their functional areas, accurate position descriptions (PDs) for their assigned duties, or proper training. Specifically:

- for the 237 personnel identified in the acquisition workforce, 52 (22 percent) did not achieve DAWIA certification required for their positions, 70 (29 percent) did not have PDs with critical acquisition designators, and 83 (35 percent) did not have PDs with DAWIA certification requirements.

- for the 32 personnel designated as CAPs and KLPs, none met all the requirements of the position, and 14 personnel did not have PDs with critical acquisition designators. Additionally, TMA did not designate an additional 14 acquisition personnel as CAPs or designate an additional 4 positions as KLPs. Finally, PDs for 34 (14 percent) of the 237 personnel included a CAP designation. However, TMA officials did not identify these personnel as holding critical positions.

- of the 12 contracts reviewed, TMA acquisition personnel did not provide documentation that CORs for 9 contracts, valued at $39 million,[3] were properly assigned before the contract award. Of those same contracts reviewed, 9 contracts, valued at $62 million, did not have trained CORs before the contract award.

This occurred because the CAE did not have procedures to adequately monitor the acquisition workforce and did not place the required emphasis on the identification, development, training, and assignment of acquisition workforce personnel. As a result, TMA officials could not verify and be assured that the right people with the right skills were involved in the acquisition process. Thus, TMA was at an increased risk for fraud, waste, and abuse.

Acquisition Personnel Did Not Meet Certification Requirements and Position Descriptions Lacked Required Information

Personnel who TMA identified as acquisition workforce did not achieve the DAWIA certification required for their career fields/positions or have position waivers. Additionally, PDs for personnel in the TMA-identified acquisition workforce did not have critical acquisition designators or certification requirements.

[2] To achieve certification, acquisition workforce personnel must meet core acquisition training, functional training, education, and experience standards.
[3] All contract values in this report include the value of the base year and potential options.

Acquisition Workforce Personnel Need to Meet Certification Requirements

Personnel in the TMA-identified acquisition workforce did not attain DAWIA certifications required for their career field/positions, and none had valid position waivers. According to the TMA Acquisition Career Management Program Handbook, February 2011, the ACM, with oversight from the CAE, designates positions as acquisition workforce positions, and personnel from TMA Human Resources division "code" the positions in the Defense Civilian Personnel Data System.

TMA experienced significant growth in its acquisition workforce between 2008 and 2012. For example, TMA officials reported a total of acquisition workforce personnel as follows: 78 in FY 2008 and 178 in FY 2010. TMA officials identified 237 acquisition personnel in June 2012. We reviewed a statistical sample[4] of DAWIA certifications, position waivers, and PDs for those 237 personnel. Although personnel in acquisition coded positions have 24 months from appointment to their positions to achieve DAWIA certification, the Defense Procurement and Acquisition Policy granted a 16-month extension to some contracting personnel. According to DoD Instruction 5000.66, personnel who do not meet certification requirements require position waivers to remain in the positions.

We estimate that 52 (22 percent) of the 237 personnel did not achieve the DAWIA certification required for their positions. The personnel in our statistical sample who did not achieve DAWIA certification exceeded the allowed timeframe by 99 to 1,598 days. For example, a systems requirements specialist within the Purchased Care System Integration branch surpassed the allowed timeframe for attaining at least a Level II certification by 1,598 days. Additionally, a project manager in the Defense Health Information Management System office, who ensures decisions are based on program requirements, surpassed the allowed timeframe for attaining a Level III certification by 744 days. TMA officials did not grant position waivers for either person and, as of August 31, 2012, these personnel did not achieve the DAWIA certification required for the positions.

The personnel in our statistical sample who did not achieve DAWIA certification exceeded the allowed timeframe by 99 to 1,598 days.

Finally, TMA officials provided a position waiver for a director within the TRICARE Policy and Operations Directorate. However, the director surpassed the target date in the waiver by 1,659 days. Based on the DoD Desk Guide for AT&L Workforce Career Management (DoD Desk Guide), January 10, 2006, and the TMA Acquisition Career Management Program Handbook, the director should have attained a Level III certification.

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[4]Please refer to Appendix B for details on statistical projections.

According to the ACM, TMA officials established efforts to correct the identification and "coding" of their acquisition workforce by tasking a contractor in April 2012 to assess the designation of acquisition workforce personnel at TMA. The ACM also stated that, pending the results of the review, AM&S personnel would work with personnel from TMA Human Resources Division to correct inaccurate "coding" of the positions, and when complete, TMA officials would take administrative action against personnel who did not meet certification requirements. TMA must maintain a fully trained and certified acquisition workforce. Basic, core, and functional competencies include the knowledge, skills, and abilities necessary for an acquisition workforce to facilitate business decisions and help DoD deliver goods and services to the warfighter. The conditions identified occurred because the CAE did not place adequate emphasis on acquisition workforce personnel meeting specific career field/position goals and did not enforce the certification requirement for the acquisition workforce. The Director, TMA, should ensure that all personnel achieve the required position certification or take administrative action to remove personnel from acquisition workforce positions. TMA should involve the right people with the right skills in the acquisition process. Personnel who do not achieve the required training and certifications could put TMA at a higher risk for fraud, waste, and abuse in its acquisitions and should not occupy AT&L Workforce positions.

Position Descriptions Needed Critical Designations, Including Acquisition Designations and Certification Requirements

We estimate that 70 (29 percent) of the 237 personnel in the acquisition workforce did not have an acquisition workforce designation on their PDs as required by the DoD Desk Guide. In addition, we estimate that PDs for 83 (35 percent) personnel did not specify a DAWIA certification requirement in accordance with the DoD Desk Guide.

We estimate that PDs for 70 (29 percent) personnel in the acquisition workforce did not include an acquisition workforce designation. PDs are significant tools that agencies use to hire personnel with desired skills to perform specific acquisition duties. PDs should correspond with DAU guidance. According to the DAU's Career Field Certification and Core Plus Development Guide, PDs should include the specific certification levels. However, TMA did not code "acquisition" on a member's PD for a program analyst. Conversely, the PD included DAWIA certification requirements for Level II in Program Management. According to the DoD Desk Guide, all AT&L Workforce positions require an incumbent to achieve certification in a career field at one of three certification levels.

In addition, we estimate 83 (35 percent) PDs did not specify a DAWIA certification requirement. PDs should identify whether the CAE designates the occupants as AT&L Workforce personnel. However, a PD, for a contract specialist, did not include a DAWIA certification requirement, but personnel from TMA Human Resources Division "coded" the PD as an acquisition workforce position.

According to the ACM, no one reviewed PDs at TMA until she, the ACM, arrived in June 2009. After the ACM notified personnel from TMA Human Resources Division of improperly "coded" PDs, she still found that they did not correct some of the PDs. The ACM should have performed annual position reviews to verify a position's suitability for an AT&L Workforce designation, and before TMA's recruitment, reorganization, or when duties and responsibilities of TMA-identified positions changed. If she had done so, TMA would have been able to ensure it had the right people with the right skills involved in its acquisition process. PDs must reflect the requirements and expectations of the employee's duties. Without accurate PDs, personnel occupying those positions may not understand the designations' corresponding requirements or possess the expertise and experience required of the positions, and this may put TMA at an increased risk of not meeting its mission requirements, specifically regarding the TRICARE health care program. The Director, TMA, should establish procedures to verify that the ACM reviews PDs at least annually, and personnel from TMA Human Resources division revise PDs as necessary.

According to the ACM, no one reviewed PDs at TMA until she, the ACM, arrived in June 2009.

Component Acquisition Executive Did Not Properly Manage Critical Acquisition Positions and Key Leadership Positions

TMA-designated CAPs and KLPs did not meet position requirements, PDs did not have required CAP and KLP designations, and identification of mandatory CAPs and KLPs needed improvement. Specifically, of the 32 personnel who TMA designated as CAPs and KLPs, none met all position requirements, and 14 personnel did not have critical acquisition designators on their PDs. Additionally, TMA did not designate an additional 14 acquisition personnel as CAPs or designate an additional 4 positions as KLPs as required. Finally, we estimate that PDs for 34 (14 percent) of the 237 personnel included a CAP designation. However, TMA did not identify the personnel as holding critical positions.

Critical Acquisition Positions and Key Leadership Positions Did Not Meet Position Requirements

None of the 32 personnel who TMA designated as CAPs or KLPs met all position requirements, such as having met certification requirements, having tenure agreements on file, and being members of the Acquisition Corps. According to the TMA Acquisition Career Management Program Handbook, the ACM, with oversight from the CAE, designates acquisition positions as CAPs and KLPs.

None of the 32 personnel who TMA designated as CAPs or KLPs met all position requirements.

The DoD Desk Guide states CAPs are a subset of acquisition workforce positions. The CAE designates CAPs based on the criticality of that position to the acquisition program, effort, and function that it supports. Typically, CAPs are senior civilian and Active Duty

Component positions with significant responsibilities, primarily involving supervisory or management duties, in the acquisition system.

The DoD Desk Guide also states that KLPs are a subset of CAPs, designated by the CAE, that have significant leadership responsibilities. KLPs include all critical major program positions that require attention from the CAE and AT&L Workforce personnel regarding qualifications, accountability, and tenure. In order for the CAE to select a CAP, the selectee must be a member of the Acquisition Corps, become a member, or obtain a position waiver. The selectee must also have a Level III DAWIA certification and must sign a written tenure service agreement.

Critical Acquisition Positions and Key Leadership Positions Did Not Meet Certification Requirements

The CAE designated 32 of 237 acquisition workforce positions as CAPs and KLPs, and 11 of the 32 personnel did not achieve mandatory acquisition certifications. According to DoD Instruction 5000.66, all CAPs and KLPs require a Level III certification or equivalent within 24 months of assignment. Further, CAPs and KLPs are not allowed to obtain certifications through waivers, only through meeting mandatory education, training, and experience requirements.

The CAE designated 32 of 237 acquisition workforce positions as CAPs and KLPs, and 11 of the 32 personnel did not achieve mandatory acquisition certifications.

Of the 11 personnel who did not achieve their Level III DAWIA certifications, 4 personnel achieved a Level II, 2 personnel achieved a Level I, and 5 personnel did not achieve any DAWIA certification. One of the individuals who did not hold any certification was a Deputy Program Executive Officer (PEO) for the Defense Health Services Systems. He was responsible for participating fully in all aspects of planning, directing, managing, coordinating, reporting, and evaluating the program executive office's mission and programs. As the Deputy PEO, he shared oversight and management responsibility for the development, acquisition, distribution, and deployment of highly specialized and dynamic information systems with the principal emphasis on managing the business and acquisition aspects. Personnel in a CAP or KLP must possess the proper skills and expertise to lead and support the organization. Without the required expertise, TMA cannot be assured that it will meet successfully its acquisition mission requirements.

Critical Acquisition Positions and Key Leadership Positions Did Not Have Required Tenure Agreements

None of the 32 personnel designated as CAPs or KLPs had tenure agreements.

> *None of the 32 personnel designated as CAPs or KLPs had tenure agreements.*

DoD Instruction 5000.66 states that personnel selected as CAPs that are not KLPs must remain in that specific position for a minimum of 3 years and must sign a tenure service agreement. Some acceptable deviations to the 3-year tenure requirement are promotion, reassignment, separation, retirement, removal for cause, reduction-in-force, mobilization, assignment to military, or elimination of the position. However, an agreement still must be signed. In exceptional circumstances, the CAE may waive CAP tenure requirements; however, the Instruction requires DoD Components to document a member's release from a position tenure agreement in a Tenure Waiver. The Instruction requires personnel who the CAE assigns to KLPs to remain in the position for a tenure period that the CAE establishes and must have a signed, tenure agreement. The period is based on the unique requirements for the specific program or effort to be performed, such as significant milestones, events, or efforts. Generally, KLP tenure agreements should be a minimum 3-year period as required by DAWIA. However, as of August 9, 2012, CAPs and KLPs did not have tenure agreements or valid waivers for the tenure requirement. For example, the Deputy PEO for Joint Medical Information Systems did not sign a 3-year tenure agreement, as required in the PD. The tenure agreement was a condition of employment and appointment. Joint Medical Information Systems PEO projects are technically complex, highly sensitive systems supporting the health care of over 9.7 million beneficiaries worldwide. The Deputy PEO makes final decisions on controversial issues that cut across organizational lines, devises plans, and develops long-term milestones, which ensure the synchronization of all assigned programs with the ultimate goal of fielding the most effective equipment/systems in support of warfighters and the Military Health System. The Director, TMA, must develop and enforce tenure agreement requirements that provide the acquisition workforce the stability and continuity to accomplish the long-term milestones of the program.

Membership in the Defense Acquisition Corps Not Enforced for Personnel in Critical Positions

Thirty of the 32 personnel designated as CAPs and KLPs were not members of the Acquisition Corps. Also, TMA had eight personnel occupying KLPs, such as the PEO for the Joint Medical Information Systems, who were not part of the Acquisition Corps and did not hold position waivers. The purpose of the Acquisition Corps is to create a pool of highly qualified personnel to fill CAPs and KLPs. Becoming a member of the Acquisition Corps is a critical step for advancing in the field. Acquisition Corps professionals demonstrate their exceptional analytical and decision making capabilities, job performance, and qualifying experience to lead the acquisition workforce. Membership

> *Thirty of the 32 personnel designated as CAPs and KLPs were not members of the Acquisition Corps.*

in the Acquisition Corps is required for assignment to all CAPs and KLPs, and there is no 24-month grace period to obtain membership. Personnel selected to CAPs and KLPs must be in the Acquisition Corps or be able to become a member before assignment. Although membership into the Acquisition Corps cannot be waived for a person, the membership requirements can be waived for the position. Individuals must meet Acquisition Corps requirements to become a member.

Individuals Designated in Critical Positions Did Not Meet Position Requirements

Personnel who TMA designated as CAPs or KLPs did not meet all position requirements because, according to the ACM, TMA never performed a qualification review of individuals designated as CAP or KLP. As a result, some of the personnel assigned to CAPs and KLPs are not qualified to occupy those critical and leadership positions. The Director, TMA should establish procedures to validate that all acquisition workforce personnel designated as CAPs or KLPs are certified to their appropriate levels, are members of the Acquisition Corps, and sign tenure agreements.

Position Descriptions Did Not Have Critical Acquisition Position and Key Leadership Position Designations

PDs for 14 personnel did not have required CAP and KLP designations. The DoD Desk Guide states that agencies should annotate AT&L Workforce position information (CAP and KLP designation, tenure period, and AT&L career field certification level) on the cover sheet of the PD. Since PDs are available to both the incumbent and management officials, having this information on the PD cover sheets will ensure that personnel from TMA Human Resources Division and the incumbents know that the CAE designated the positions as AT&L Workforce positions and understand the designations' corresponding requirements. In addition, officials responsible for AT&L Workforce positions should ensure that those positions are reviewed periodically to determine applicability of the AT&L Workforce designation.

Personnel from TMA Human Resources Division did not include CAP designations in PDs for 14 of the 32 personnel who TMA identified as CAPs. Finally, we estimate that PDs for 34 (14 percent) of the 237 personnel included a critical acquisition workforce designation. However, TMA did not identify them as a CAP.

This condition occurred because the ACM did not annually review and validate PDs for AT&L Workforce positions to ensure that they accurately reflected CAP or KLP designations. The ACM agreed that TMA did not review PDs and stated that personnel from TMA Human Resources Division automatically annotated "CAP" on PDs not realizing that "CAP" was an official acquisition workforce position with certification and tenure requirements. The Director, TMA, should ensure the ACM review and personnel from TMA Human Resources Division revise PDs for personnel assigned to AT&L Workforce positions, so the PDs accurately reflect CAP designations.

Identification of Mandatory Critical Acquisition Positions and Key Leadership Positions Needs Improvement

Finally, TMA did not designate an additional 14 acquisition personnel as CAPs and did not designate an additional 4 positions as KLPs as required. The CAE did not designate those mandatory positions as CAP and KLP in TMA's workforce as required. The DoD Desk Guide states that the CAE will designate CAPs based on the criticality of those positions to the acquisition program, effort, or function they support. In addition, the DoD Desk Guide states that it is mandatory that the CAE designate certain positions as CAPs or KLPs. For example, positions that the CAE must designate as CAPs include PEOs, program managers (PMs) and deputy PMs for Major Acquisition Information Systems programs, PMs and deputy PMs for significant nonmajor defense acquisition programs, senior contracting officials, military AT&L Workforce positions that must be filled by officers ranked O-5 and above, and AT&L Workforce personnel in the senior executive service. In addition, PEOs, PMs, and deputy PMs for Major Acquisition Information Systems should be KLPs.

> *The CAE did not designate those mandatory positions as CAP and KLP in TMA's workforce as required.*

AM&S personnel identified 32 acquisition workforce positions as being CAPs and 9 positions as being KLPs. Of the TMA-identified acquisition workforce, the CAE should have identified an additional 14 personnel as occupying CAPs and at least an additional 4 positions as KLPs. The CAE did not identify PMs and Deputy PMs as CAPs or KLPs as required. In some instances, individuals were on the same PD; yet, some were designated as CAP and others were not. In another instance, the Deputy PEO was designated as a CAP. However, the PEO in the same program office was not. In addition, the Deputy CAE was not designated as a CAP; however, the position was listed as a KLP. Finally, the CAE did not identify three senior executive service members as CAPs.

According to the TMA Acquisition Career Management Program Handbook, the CAE should review and revalidate acquisition workforce positions annually. Notwithstanding, the ACM stated that TMA did not review CAP designations. The Director, TMA, should establish procedures that require the ACM to review annually all acquisition workforce positions that are required to be designated as CAPs and KLPs.

Designation and Training of Contracting Officer's Representatives Needed Improvement

From a nonstatistical sample of 12 contracts, AM&S personnel did not provide documentation that CORs for 9 of 12 TMA contracts, valued at $39 million, were properly assigned before the contract award, and 9 of the 12 contracts, valued at $62 million, did not have trained CORs before the contract award.

Contracting Officers Did Not Properly Designate Contracting Officer's Representatives

Contracting officers did not designate CORs for 9 of 12 contracts before the contract award as required by DoD Guidance. DoD Memorandum, "Monitoring Contract Performance in Contracts for Services," August 22, 2008, states that the COR is a representative of the requiring activity, nominated by the requiring activity, and designated by the contracting officer. When a COR is required, the contracting officer must provide a list of proposed responsibilities for the COR to the requiring activity. The requiring activity must then submit nominations for CORs to the contracting activity. The COR nomination package must address the qualifications of the prospective COR and affirm that the prospective COR and the prospective COR's supervisors understand the importance of the designated functions. The COR is the technical liaison between the contractor and the contracting officer and is responsible for verifying satisfactory contract performance and timely delivery as set forth in the contract. COR designation letters notify CORs of the extent of their authority and responsibility for overseeing contractor performance. Proper designation and training help protect the agency and the COR from adverse effects of a COR acting beyond the scope of his or her authority or acting without authority.

> *Proper designation and training help protect the agency and the COR from adverse effects of a COR acting beyond the scope of his or her authority or acting without authority.*

TMA acquisition personnel did not provide documentation that 9 of 12 TMA contracts had CORs properly assigned before the contract award. Contracting officers designated five CORs after the contract award not in accordance with DoD Guidance. Additionally, contracting officers did not assign three of those five CORs until approximately 6 months or longer after the contract award. Furthermore, there was no written designation of a COR for 4 of the 12 contracts.

For one contract, a COR was not appointed to provide oversight until approximately 10 months after the contract award date. The contracting officer provided us a designation letter signed and dated the day that we made the document request. This contract states that the COR is responsible for inspection and acceptance of all items, incoming shipments, documents, and services. Although the contracting officer did not designate the COR until 10 months after the contract award, the contract had deliverables due 2 months, 3 months, and 4 months after the contract award. For another contract, awarded in February 2012 for $3.2 million, as of September 2012, the contracting officer still had not assigned a COR. This contract outlined COR responsibilities pertaining to life threatening emergencies, incurring additional costs, replacement of key contracting personnel, and conducting formal test planning. Contracting officers did not properly designate CORs to oversee contracts because the CAE did not establish an oversight process for verifying that contracting officers carried out specific required administrative functions on TMA-funded contracts.

Contracting Officer's Representatives Lacked the Required Training to Perform Their Duties

Contracting officers did not verify that on 9 of 12 contracts, COR designees achieved the training required to perform their duties. USD(AT&L) Memorandum, "DoD Standard for Certification of Contracting Officer's Representatives (COR) for Service Acquisitions," March 29, 2010, identifies competencies, experience, and minimum training needed for successful performance as a COR for three types of service acquisition contracts. In addition, TMA's Acquisition Career Management Program Handbook also identifies supplementary training that CORs must complete before being assigned to oversee contracts.

Also, the Defense Federal Acquisition Regulation Supplement provides requirements for contract oversight and training. Specifically, the Defense Federal Acquisition Regulation Supplement 201.602-2, "Responsibilities," requires the COR to be qualified by training and experience commensurate with the responsibilities delegated.

According to DoD Memorandum, "Monitoring Contract Performance in Contracts for Services," August 22, 2008, trained and ready CORs are critical. CORs ensure that contractors comply with all contract requirements and that overall performance is commensurate with the level of payments made throughout the life of the contract. Further, requiring activities shall ensure that contracting officers assign properly trained CORs before the contract award.

We reviewed the training for CORs assigned to 12 contracts, valued at $73 million; of which, 9 contracts did not have fully trained CORs before the contract awards. Additionally, only two of the nine CORs completed the training after the contract awards. For example, the COR designated to oversee a contract, valued at $7.7 million, had duties to ensure contractor compliance for fraud case referrals to Defense Criminal Investigative Service, TMA Program Integrity, and Department of Justice. However, the COR did not achieve any of the minimum required COR training, including acquisition ethics training, before or after the contract award. Therefore, only 3 of the 12 contracts had fully trained CORs before the contract awards. The COR can be a deciding factor in whether or not a contract is successful. The COR helps ensure that the DoD receives the value of the goods and services purchased.

We reviewed the training for CORs assigned to 12 contracts, valued at $73 million; of which, 9 contracts did not have fully trained CORs before the contract awards.

Procedures Needed to Monitor and Verify Contracting Officer's Representative Designations and Training

TMA lacked procedures to monitor and verify that CORs were properly designated and trained. According to USD(AT&L) Memorandum, "Deployment of the Department of Defense (DoD) Contracting Officer Representative Tracking Tool (CORT Tool)," March 21, 2011, the CORT Tool capability allows DoD Components and agencies to

monitor COR nominations, appointments, terminations, and training certifications across DoD. The CORT Tool allows users to identify available and qualified CORs and tracks all training completed by the COR. Additionally, the CORT Tool will not allow an appointment of a COR to a contract if the COR is missing the required courses. Furthermore, the Memorandum states that all Military Departments, Defense agencies, and DoD Field Activities, shall use this Web-accessible tool for all service contracts awarded with a value greater than the $3,000 micro-purchase threshold and in accordance with the deployment dates of their respective organizations. OUSD(AT&L) personnel directed TMA and AM&S to comply with the CORT Tool requirements. The AM&S deployment plan states that PMs will ensure that all CORT Tool users, to include CORs they are responsible for, are registered no later than March 30, 2012.

We reviewed TMA's implementation of the CORT Tool and found that the CORT Tool only included 16 CORs. AM&S personnel stated that the CORT Tool listed so few CORs on TMA-funded contracts because TMA contracting operations division personnel did not hold CORs and contracting officers responsible for inputting and fulfilling CORT Tool requirements.

TMA acquisition personnel must maintain a comprehensive and updated database to identify CORs designated to oversee TMA-funded contracts. According to the U.S. Merit Systems Protection Board report, "Contracting Officer Representatives: Managing the Government's Technical Experts to Achieve Positive Contract Outcomes," December 2005, CORs provide the technical expertise necessary to convey the Government's technical requirements, oversee the technical work of the contractor, and ensure that deliverables meet the Government's technical requirements. Furthermore, even the best-managed contract is not successful if its deliverables fail to meet the technical requirements of the Government. TMA personnel should maintain full visibility over the entire acquisition workforce to include CORs. Without effective oversight, TMA could not ensure that all contracting actions were staffed with qualified and trained CORs. The Director, TMA, should implement the CORT Tool to allow TMA acquisition personnel to monitor COR nominations, appointments, terminations and training certifications against contracts awarded and funded by TMA. Additionally, to ensure that contracting officers properly designate and notify CORs of the extent of their authority and responsibility for overseeing a contractor's performance, the Director, TMA, should establish procedures to verify that contracting officers properly issue designation letters before the contract award. Finally, the Director should establish quality control procedures to verify that contracting officers designate properly trained CORs before the contract award.

Conclusion

The CAE did not have procedures in place to monitor the proper identification, development, and training of acquisition workforce personnel. Additionally, the CAE did not properly manage CAPs and KLPs. Certification recognizes the level to which a member of the acquisition workforce has achieved functional and core acquisition competencies. Allowing unqualified individuals to work in acquisition positions increases the risk that TMA will not meet its acquisition goals and objectives. Finally, the CAE did not establish a process to monitor or designate properly trained CORs before

the contract award occurred. CAE oversight is needed to verify that properly trained CORs are assigned to each contract. Lack of properly assigned and trained CORs increased the risk that contractor performance was not adequately monitored. The CAE needs to initiate prompt action to ensure that the right people with the right skills are involved in the acquisition process, thus reducing the risk for fraud, waste, and abuse. Additionally, the USD(AT&L) should perform a comprehensive review on TMA's progress on meeting compliance with identification, assignment, certification, and training of the acquisition workforce; progress on implementation and use of the CORT Tool; and compliance with proper contracting procedures.

Recommendations, Management Comments, and Our Response

1. We recommend the Director, TRICARE Management Activity:

a. Develop a time-phased plan for all acquisition workforce personnel that did not attain position required certifications within allowed timeframes to obtain certifications, and as appropriate, initiate administrative action to remove them from acquisition related positions.

TRICARE Management Activity Comments

The Director, TMA, agreed and stated that his office assigned the Deputy CAE to implement corrective actions within 12 months for all identified deficiencies. Additionally, the Director stated that individuals who did not meet their required certification level will be required to work with their supervisors to develop a plan to obtain the necessary certification. Individuals who did not meet their required certification level commensurate with their PDs and, according to the approved timeframe, will be removed from their current acquisition position until the training is completed.

Our Response

Comments from the Director, TMA were responsive. No further comments are required.

b. Implement the Contracting Officer Representative Tracking Tool to nominate, appoint, monitor and terminate an individual as a contracting officer's representative against contracts awarded and funded by TRICARE Management Activity.

TRICARE Management Activity Comments

The Director, TMA, agreed and stated that the CORT Tool will be fully implemented within 30 days.

Our Response

Comments from the Director, TMA were responsive. No further comments are required.

c. Establish quality assurance procedures that require:

(1) Verification that the acquisition career manager review position description designations to validate the accuracy, and identify and include acquisition workforce designations, certification level required, and critical acquisition position designations, if applicable. The acquisition career manager should review position descriptions annually and before recruitment, reorganization, or when duties and responsibilities of acquisition workforce positions change. Pending the results of the review, personnel from TRICARE Management Activity Human Resources Division should revise position descriptions as necessary.

TRICARE Management Activity Comments

The Director, TMA, agreed and stated that, within 60 days, TMA will establish quality assurance procedures to review all PD designations, and map them to current job requirements for 100 percent of its acquisition workforce. In addition, for those PDs that require revision, all revisions will be completed within 6 months of identification. TMA will also review all acquisition positions annually.

Our Response

Comments from the Director, TMA were responsive. No further comments are required.

(2) Verification that the TRICARE Management Activity workforce and all mandatory critical acquisition positions and key leadership positions are reviewed annually.

TRICARE Management Activity Comments

The Director, TMA, agreed and stated that, within 60 days, TMA will establish quality assurance procedures review all acquisition positions annually.

Our Response

Comments from the Director, TMA were responsive. No further comments are required.

(3) Verification that all acquisition workforce personnel designated as critical acquisition positions or key leadership positions are members of the Defense Acquisition Corps before TRICARE Management Activity places them into the position and sign a tenure agreement for a minimum of 3 years.

TRICARE Management Activity Comments

The Director, TMA, agreed and stated that, within 60 days, TMA will establish quality assurance procedures to review all CAPs or KLPs before placement for membership in the Defense Acquisition Corps.

Our Response

Comments from the Director, TMA were responsive, and the proposed actions met the intent of the recommendation. Although TMA did not address ensuring that all personnel in CAPs or KLPs sign tenure agreements when outlining the specifics of their quality assurance plan, the Director, TMA, agreed with all findings and stated they would correct all identified deficiencies within the next 12 months. We expect that with the correction of all identified deficiencies, TMA will include in its quality assurance procedures the verification that all CAPS or KLPS sign a tenure agreement. No further comments are required.

(4) Verification that contracting officers designate properly trained contracting officer's representatives before the contract award.

TRICARE Management Activity Comments

The Director, TMA, agreed and stated that, within 60 days, TMA will establish quality assurance procedures to define a process for verification of each COR's signature and date on all COR designation letters before any contract award. Additionally, the Director, TMA, stated that the CORT Tool will be fully implemented within 30 days.

Our Response

Comments from the Director, TMA were responsive. The CORT Tool allows users to identify available and qualified CORs and tracks all training completed by the COR. Additionally, the CORT Tool will not allow appointment of a COR to a contract if the COR is missing the required training. No further comments are required.

(5) Verification that contracting officer's representatives sign and date contracting officer's representative designation letters before the contract award.

TRICARE Management Activity Comments

The Director, TMA, agreed and stated that within 60 days, TMA will establish quality assurance procedures that will define a process for verification of each CORs signature and date on all COR designation letters before the contract award.

Our Response

Comments from the Director, TMA were responsive. No further comments are required.

2. We recommend that the Under Secretary of Defense for Acquisition, Technology, and Logistics, perform a comprehensive review of TRICARE Management Activity's compliance with Recommendation 1.

Under Secretary of Defense for Acquisition, Technology, and Logistics Comments

The Assistant Secretary of Defense for Acquisition responded on behalf of the USD(AT&L) and partially agreed with the recommendation. The Assistant Secretary stated TMA's leadership and new acquisition career management team are working

diligently to improve compliance with acquisition workforce policy and COR requirements. However, the Assistant Secretary stated the recommendation should identify the Under Secretary of Defense for Personnel and Readiness as the lead for the recommended review and would provide support to the Under Secretary of Defense for Personnel and Readiness, as needed.

Our Response

Comments from the Assistant Secretary of Defense for Acquisition were partially responsive. DoD Directive 5136.12, "TRICARE Management Activity (TMA)," May 31, 2001, established TMA as a DoD Field Activity of the Under Secretary of Defense for Personnel and Readiness. We acknowledge that chain-of-command responsibilities for TMA reside with the Under Secretary of Defense for Personnel and Readiness. However, section 1702, chapter 87, title 10, United States Code provides that the USD(AT&L) must carry out all powers, functions, and duties of the Secretary of Defense with respect to the DoD acquisition workforce, to include ensuring the effective management of persons serving in the Department's acquisition positions and the uniform implementation of Department-wide acquisition workforce policies and procedures. While the Assistant Secretary agreed with the intent of the recommendation, congressional legislation assigns primary responsibility for the Department's acquisition workforce to the USD(AT&L). Therefore, we maintain that the USD(AT&L) should perform this review. Additionally, the USD(AT&L) possesses the subject matter expertise to perform this type of review and can provide an independent, objective assessment of TMA's compliance with Recommendation 1. We request that the Under Secretary of Defense for Acquisition, Technology, and Logistics, reconsider his position and provide additional comments in response to the final report.

Appendix A. Scope and Methodology

We conducted this performance audit from February 2012 through February 2013 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

We reviewed applicable regulations: sections 1701, 1702, and 1733, chapter 87, title 10, United States Code; Defense Federal Acquisition Regulations System 201.602-2; DoD instructions, directives, and memorandums; and the TMA Acquisition Career Management Program Handbook, February 2011, to identify guidance related to the acquisition workforce.

Acquisition Workforce

We used statistical sampling procedures to determine whether the TMA acquisition workforce was adequately identified, trained, and certified. We contacted officials from TMA, Falls Church, Virginia; TMA, Aurora, Colorado; OUSD(AT&L), Arlington, Virginia; DAU, Fort Belvoir, Virginia; and Uniformed Services University of Health Sciences, Bethesda, Maryland, to obtain documentation of the workforce and training requirements for personnel occupying AT&L Workforce positions at TMA. We reviewed hard copy PDs and PDs from Fully Automated System for Classification (FASCLASS) to determine if PDs included critical acquisition designators and certification requirements. We also reviewed position waivers and training certifications for each item in our statistical sample. See Appendix B for detailed results on the statistical sample.

Critical Acquisition Positions and Key Leadership Positions

We compared critical designations on PDs for each item in our statistical sample and compared them to the TMA-designated CAP and KLP list. See Appendix B for detailed results on the statistical sample. We reviewed the TMA organizational chart and staffing documents and compared them to a list of TMA-designated CAPs and KLPs to determine who should have been designated as CAPs and KLPs. We also reviewed an Acquisition Corps membership list from the Acquisition Training Application System and compared it to the list of TMA-designated CAPs and KLPs. We used this information to determine which CAPs and KLPs belonged to the Acquisition Corps. Finally, we reviewed tenure agreements, position waivers, and training certifications for each CAP and KLP.

Contracting Officer's Representatives

We determined whether TMA designated properly trained CORs to TMA-funded contracts. We reviewed the Contract Management Information Database (CMID) run and compared TMA's deployment plan and its actual implementation of the CORT Tool. For a nonstatistical sample of 12 contracts, we determined whether TMA contracting

officers properly designated fully trained CORs before the contract award. We reviewed contract files to include COR nomination letters, COR designation letters, and COR training certificates TMA personnel provided. In addition, we downloaded contracts from Electronic Document Access to verify contract award dates and COR duties. We limited our review of contracts to contract instruments type "C" and "D" TMA awarded and funded after USD(AT&L) issued the DoD Memorandum, "DOD Standard for Certification of Contracting Officer's Representatives (COR) for Service Acquisitions," March 29, 2010. Type "C" contracts exclude indefinite delivery contracts, sales contracts, and contracts placed with or through other Government departments or agencies or against contracts placed by such departments or agencies and type "D" contracts include indefinite delivery contracts. We did not audit the completeness of the contract list listed in the CMID run that TMA provided. Specifically, we reviewed all TMA Falls Church-awarded and funded contracts of what was presented in the CMID run using the scope explained above, and we randomly selected three of the seven TMA Aurora-awarded and funded contracts as presented in the Management Tracking Reporting System using the scope above.

Use of Computer-Processed Data

From April 2012 through October 2012, we used computer-processed data from the AT&L Member Analysis-TMA spreadsheet; copies of PDs from the FASCLASS; Career Field Certification and Acquisition Corps Membership reports from DoD's Acquisition Training Application System; and CORs for Active Contracts/Orders spreadsheet from the CMID.

We used the AT&L Member Analysis-TMA spreadsheet reviewed and corrected by the deputy ACM to generate a statistical sample of the TMA-identified acquisition workforce and to determine whether the TMA-identified acquisition workforce was in arrears for attaining DAWIA certifications. Although we could not independently verify the reliability of all this information from the Defense Civilian Personnel Data System, we compared it with other available supporting documents to determine data consistency and reasonableness. We compared each person's name and career field/position in the AT&L Member Analysis-TMA spreadsheet to hard copies of PDs and PDs obtained from FASCLASS. We discuss the inconsistencies between the AT&L Member Analysis-TMA spreadsheet and the PDs in the finding. We relied on the entrance on duty dates in the spreadsheet because OUSD(AT&L) personnel reviewed the dates, including TMA's, and did not note any discrepancies in TMA's dates. However, the USD(AT&L) tasked DoD Components to review and correct any discrepancies in the Defense Civilian Personnel Data System. We believe the information we obtained on the entrance on duty dates is sufficiently reliable to accomplish our audit objective.

We used Career Field Certification and Acquisition Corps Membership reports that the deputy ACM obtained from the DoD's Acquisition Training Application system. Although we could not independently verify the reliability of all this information, we compared it with other available supporting documents to determine data consistency and reasonableness. We tested the reliability of the data through interviews with the deputy ACM who confirmed that personnel listed in the reports were personnel that she

approved for certification or membership. Additionally, the deputy ACM provided copies of DAWIA certifications to validate known discrepancies. From these efforts, we believe the information we obtained is sufficiently reliable to accomplish our audit objective.

We also used computer-processed data from the CMID system to identify a universe of TMA-funded contracts. We did not audit the completeness of the contracts listed in the CMID database that TMA provided. We used the Active Contracts/Order spreadsheet to identify contracts that matched our criteria and we selected a nonstatistical judgmental sample of contracts to review for designation and training of CORs assigned to those contracts. For each contract in our judgmental sample, we relied on COR designation letters, COR training certifications, and contract files to perform our analysis and draw our conclusions.

Use of Technical Assistance

The DoD OIG Quantitative Methods Division assisted with the audit. See Appendix B for detailed information about the work the Quantitative Methods Division performed.

Prior Coverage

During the last 5 years, the Government Accountability Office (GAO) and the Department of Defense Inspector General (DoD IG) issued eight reports discussing the acquisition workforce. Unrestricted GAO reports can be accessed over the Internet at http://www.gao.gov. Unrestricted DoD IG reports can be accessed at http://www.dodig.mil/audit/reports.

GAO

GAO-11-892, "Better Identification, Development, and Oversight Needed for Personnel Involved in Acquiring Services," September 28, 2011

GAO-11-50, "Opportunities Exist to Improve Management of DoD's Electronic Health Record Initiative," October 6, 2010

GAO-11-22, "DOD's Training Program Demonstrates Many Attributes of Effectiveness, but Improvement Is Needed," October 28, 2010

GAO-10-693, "Stronger Safeguards Needed for Contractor Access to Sensitive Information," September 10, 2010

GAO-08-360, "Army Case Study Delineates Concerns with Use of Contractors as Contract Specialists," March 26, 2008

DoD IG

DoD IG Report No. D-2012-033, "Award and Administration of Multiple Award Contracts for Services at U.S. Army Medical Research Acquisition Activity Need Improvement," December 21, 2012

DoD IG Report No. D-2010-051, “Defense Contract Management Agency Acquisition Workforce for Southwest Asia,” April 8, 2010

DoD IG Report No. D-2008-045, “Controls Over the TRICARE Overseas Healthcare Program,” February 7, 2008

Appendix B. Statistical Sample

With assistance from the Quantitative Methods Division, we developed and reviewed a statistical sample of the TMA-identified acquisition workforce to project the following for the acquisition workforce personnel at TMA:

- the number and percentage of personnel who did not achieve the required DAWIA certification;
- the number and percentage of PDs that did not have critical acquisition designators;
- the number and percentage of PDs that did not have DAWIA certification requirements; and
- the number and percentage of PDs with CAP designations, but TMA did not identify as CAPs.

Population

The population consisted of 237 TMA-identified acquisition personnel with their required career level. The deputy ACM reviewed the AT&L Member Analysis-TMA spreadsheet, June 5, 2012, and provided the spreadsheet as a list of the TMA-identified acquisition workforce. DAU e-mailed weekly reports of this spreadsheet to the deputy ACM.

Sample Plan

We used a stratified sampling design for this review. We stratified the population into three strata, based on career level and selected the following sample from the AT&L Member Analysis-TMA spreadsheet. See Table B-1 for details of the strata and sample sizes used in the review.

Table B-1. Population of Acquisition Workforce Personnel at TMA

Stratum	Population Size	Sample Size
Career Level I	20	14
Career Level II	93	45
Career Level III	124	51
Totals	**237**	**110**

Of the 110 in our sample, we did not review 9 personnel because we found that they left or were not part of the acquisition workforce personnel at TMA. The remaining 101 that we reviewed were representative of the career levels in the population and did not affect our statistical projections.

Statistical Projection and Interpretation

In the paragraphs below, we detail our projections and interpretations for all four statistical projections made in the audit report.

Personnel Did Not Achieve the Defense Acquisition Workforce Improvement Act Certification

We determined the number of personnel in the population that did not achieve the required DAWIA certification. We compared the information received from the AT&L Member Analysis-TMA spreadsheet for each member of the TMA-identified acquisition workforce in our sample to the acquisition workforce member's hardcopy DAWIA certification or the Career Field Certification report from DoD's Acquisition Training Application System. We also calculated whether the number of days surpassed the applicable 24- or 40-month requirement to obtain certification, using the entrance on duty dates received in the AT&L Member Analysis-TMA spreadsheet, as of August 31, 2012. Based on our review of the sampled personnel, we calculated the projection at the 90-percent confidence level. See Table B-2.

Table B-2. Statistical Projections of Personnel Who Did Not Achieve the DAWIA Certification

	Lower Bound	Point Estimate	Upper Bound
Rate	16.1 percent	22.1 percent	28.1 percent
Number	38	52	67

From the TMA-identified population of 237 acquisition workforce personnel, we are 90-percent confident that the number of personnel who did not achieve the required DAWIA certification was between 38 and 67 personnel, and the personnel rate was between 16.1 percent and 28.1 percent. The point estimate was 52 personnel who did not achieve the required DAWIA certification or 22.1 percent.

Position Descriptions Did Not Have Critical Acquisition Designators

To determine the number of PDs that did not have critical acquisition designators, we compared the information received from the AT&L Member Analysis-TMA spreadsheet for each member of the TMA-identified acquisition workforce in our sample to the member's PD. PDs from FASCLASS indicated yes, no, or a blank field, for whether the position was designated as an acquisition workforce position. For PDs not obtained from the system, we used our professional judgment to determine whether the PD should be designated as an acquisition workforce position. Based on our review, we calculated the projection at the 90-percent confidence level. See Table B-3.

Table B-3. Statistical Projections of PDs That Did Not Have Critical Acquisition Designators

	Lower Bound	Point Estimate	Upper Bound
Rate	22.9 percent	29.3 percent	35.8 percent
Number	54	70	85

From the TMA-identified population of 237 acquisition workforce personnel, we are 90-percent confident that the number of PDs that did not have critical acquisition designators is between 54 and 85 PDs and the rate was between 22.9 percent and 35.8 percent. The point estimate was 70 PDs that did not have critical acquisition designators or 29.3 percent.

Position Descriptions Did Not Have Certification Requirements

To determine the number of PDs that did not have DAWIA certification requirements, we compared the information received from the AT&L Member Analysis-TMA spreadsheet for each member of the TMA-identified acquisition workforce in our sample to the member's PD. The PDs should have included a statement for the required DAWIA certification. Based on our review, we calculated the projection at the 90-percent confidence level. See Table B-4.

Table B-4. Statistical Projections of PDs That Did Not Have Certification Requirements

	Lower Bound	Point Estimate	Upper Bound
Rate	28.4 percent	35.1 percent	41.8 percent
Number	67	83	99

From the TMA-identified population of 237 acquisition workforce personnel, we are 90-percent confident that the number of PDs that did not have DAWIA certification requirements is between 67 and 99 PDs and the rate was between 28.4 percent and 41.8 percent. The point estimate was 83 PDs that did not have DAWIA certification requirements or 35.1 percent.

Position Descriptions With Critical Acquisition Position Designations, but Not Identified by TRICARE Management Activity as Critical Acquisition Positions

To determine the number of PDs with CAP designations, but TMA did not identify as CAP for the acquisition workforce personnel, we compared the information received from the AT&L Member Analysis-TMA spreadsheet for each member of the TMA-identified acquisition workforce in our sample to the members' PDs. The PDs from FASCLASS indicated yes, no, or a blank field, for CAP. For PDs not obtained from the system, we looked for the phrase "this is a critical acquisition position." Based on our review, we calculated the projection at the 90-percent confidence level. See Table B-5.

Table B-5. Statistical Projections of PDs With CAP Designations, but TMA Did Not Identify as CAPs

	Lower Bound	Point Estimate	Upper Bound
Rate	9.0 percent	14.2 percent	19.4 percent
Number	21	34	46

From the TMA-identified population of 237 acquisition workforce personnel, we are 90-percent confident that the number of PDs with CAP designations for the acquisition workforce personnel at TMA, but TMA did not identify as CAP, are between 21 and 46 PDs, and the error rate was between 9.0 percent and 19.4 percent. The point estimate was 34 PDs with CAP designations for the acquisition workforce personnel at TMA, but TMA did not identify as CAP or 14.2 percent.

Under Secretary of Defense for Acquisition, Technology, and Logistics Comments

ASSISTANT SECRETARY OF DEFENSE
3015 DEFENSE PENTAGON
WASHINGTON, DC 20301-3015

ACQUISITION

041113

MEMORANDUM FOR PROGRAM DIRECTOR FOR READINESS, OPERATIONS, AND SUPPORT, OFFICE OF THE INSPECTOR GENERAL

THROUGH: DIRECTOR, ACQUISITION RESOURCES AND ANALYSIS KB 4/11/13

SUBJECT: Response to DoDIG Draft Report "TRICARE Management Activity Needs to Improve Oversight of Acquisition Workforce" (Project No. D2012-000LF-0115.000)

As requested, I am providing a response to the general content and recommendations contained in the subject report.

TRICARE Management Activity's (TMA) leadership and new acquisition career management team are working diligently to improve compliance with acquisition workforce policy and Contracting Officer Representative requirements.

Recommendation 2:
We recommend that the Under Secretary of Defense for Acquisition, Technology, and Logistics, perform a comprehensive review of TRICARE Management Activity's compliance with Recommendation 1.

Response:
Partially Concur. This recommendation should identify the Under Secretary of Defense for Personnel and Readiness as the lead for the review, with support assistance as needed from the Under Secretary of Defense for Acquisition, Technology, and Logistics.

Please contact [redacted], if additional information is required.

Katrina McFarland

TRICARE Management Activity Comments

OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE
HEALTH AFFAIRS
7700 ARLINGTON BOULEVARD, SUITE 5101
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TRICARE MANAGEMENT ACTIVITY

APR 11 2013

MEMORANDUM FOR DEPARTMENT OF DEFENSE INSPECTOR GENERAL
DEPUTY INSPECTOR GENERAL FOR READINESS, OPERATIONS, AND SUPPORT

SUBJECT: Department of Defense Inspector General Draft Report, "TRICARE Management Activity Needs to Improve Oversight of Acquisition Workforce" (Project No. D2012-D000LF-0115.000)

Thank you for the opportunity to review and comment on the Department of Defense draft report, Project No. D2012-D000LF-0115.000, "TRICARE Management Activity Needs to Improve Oversight of Acquisition Workforce," dated February 25, 2013.

My specific comments to Recommendation 1 are attached for your consideration to incorporate into the Final Report. Recommendation 1 has been assigned to the Deputy Component Acquisition Executive for action. It is my understanding that Recommendation 2 is being responded to directly from the Office of the Under Secretary of Defense for Acquisition, Technology and Logistics. Even though, I agree with Recommendation 2 and gladly support the comprehensive review.

Please feel free to direct any comments to my action officers on this topic, [redacted] Deputy Component Acquisition Executive, [redacted] or [redacted] Audit Liaison [redacted].

Jonathan Woodson, M.D.
Director

Attachments:
As stated

DEPARTMENT OF DEFENSE OFFICE OF THE INSPECTOR GENERAL
DRAFT REPORT – DATED FEBRUARY 25, 2013
PROJECT NO. D2012-D000LF-0115.000
"TRICARE MANAGEMENT ACTIVITY NEEDS TO IMPROVE OVERSIGHT OF ACQUISITON WORKFORCE"

DEPARTMENT OF DEFENSE COMMENTS TO THE RECOMMENDATIONS

RECOMMENDATION 1: We recommend that the Director, TRICARE Management Activity:

a. Develop a time-phased plan for all acquisition workforce personnel that did not attain position required certifications within allowed timeframes to obtain certifications, and as appropriate, initiate administrative action to remove them from acquisition related positions.

b. Implement the Contracting Officer Representative Tool to nominate, appoint, monitor and terminate an individual as a contracting officer's representative against contracts awarded and funded by TRICARE Management Activity.

c. Establish quality assurance procedures that require:

(1) Verification that the acquisition career manager review position description designations to validate the accuracy, and identify and include acquisition workforce designations, certification level required, and critical acquisition position designations, if applicable. The acquisition career manager should review position description s annually and before recruitment, reorganization, or when duties and responsibilities of acquisition workforce positions change. Pending the results of the review, personnel from TRICARE Management Activity Human Resources division should revise position descriptions as necessary.

(2) Verification that the TRICARE Management Activity workforce and all mandatory critical acquisition positions and key leadership positions are reviewed annually.

(3) Verification that all acquisition workforce personnel designated as critical acquisition positions or key leadership positions are members of the Defense Acquisition Corps before TRICARE Management Activity places them into the position and sign a tenure agreement for a minimum of 3 years.

(4) Verification that contracting officers designate properly trained contracting officer's representatives before the contract award.

(5) Verification that contracting officer's representatives sign and date contracting officer's representative designation letters before the contract award.

DOD RESPONSE: TMA Concurs with all findings and will correct all identified deficiencies within the next 12 months. Specific steps we are taking to correct the deficiencies are listed below.

1) We will notify all individuals who have not met their required certification level within the next 30 days. Individuals will be required to work with their supervisor to develop a plan to obtain the necessary certification based on the availability of the required course work and provide evidence of completed training. Individuals who have not met their required certification level training commensurate with their position description and according to the approved timeframe will be removed from their current acquisition position and all related work until such time as the training is completed.
2) The Contracting Officer Representative Tool will be fully implemented within 30 days. Procedures, guidance and information from the TRICARE Management Activity's Contracting Officer's Representative (COR) program have been updated to reflect that no CORs will be appointed prior to being registered in the CORTool.
3) Within 60 days we will have established quality assurance procedures that will:
    a. Review all position description designations, map them to current job requirements for 100% of our acquisition workforce;
    b. For those position descriptions that require revision, all revisions will be completed within 6 month of identification;
    c. Set up an annual review of all acquisition positions;
    d. Review all critical acquisition or key leadership positions prior to placement for membership in the Defense Acquisition Corps;
    e. Define a process for verification of each contracting officer's representatives signature and date on all contracting officer's representative designation letters prior to any contract award.

Inspector General
Department of Defense