DEPARTMENT OF THE NAVY
OFFICE OF THE ASSISTANT SECRETARY
(RESEARCH, DEVELOPMENT AND ACQUISITION)
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MEMORANDUM FOR DISTRIBUTION

SUBJECT: Defense Acquisition Workforce Development Fund (Section 852) Implementation Guidance

Reference: (a) Department of the Navy Section 852 Operating Guide

In accordance with H.R.4986, National Defense Authorization Act (NDAA) for Fiscal Year 2008, Section 852, the Secretary of Defense established the Defense Acquisition Workforce Development Fund (DAWDF). The purpose of the Fund is to ensure that the Department's acquisition workforce has the capacity, in both personnel and skills, to perform its mission, provide appropriate oversight of contractor performance, and ensure that the Department receives the best value for the expenditure of public resources.

Section 852, along with other complimentary Human Capital Initiatives, provides a mechanism to achieve the Secretary of Defense's goal of strategically sizing and rebalancing the Acquisition Workforce. This enabler aligns with Navy's Total Force Vision for the 21st Century (NTF 21) which emphasizes the need to develop a "learning organization". Proper execution of Section 852 will facilitate achieving the Secretary's and NTF 21 goals.

The Defense Acquisition Workforce Development Fund (Section 852) Program Guidance (attachment 1) provides guidance to assist DON components with DAWDF funding requests, program execution and reporting requirements. The Director, Acquisition Career Management (DACM), is the program manager for the Department of the Navy (DON) Section 852 DAWDF and provides program guidance and direction to the end users. The Director, Navy Acquisition Career Center (NACC) is responsible for the execution of the fund within the guidance established by the DACM.

This document serves as the DACM's program guidance. Reference (a) provides execution guidance for the management of Section 852 funds. Adherence to reference (a) and attachment (1) will ensure adequate resources are available to reinvigorate the DON acquisition workforce through accelerated recruitment of new personnel, retention of in-house technical expertise, and provisions for training and incentives.

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Defense Acquisition Workforce Development Fund (Section 852) Program Guidance

1. Program Overview.

1.1. The Under Secretary of Defense for Acquisition, Technology, and Logistics (USD (AT&L)), in accordance with the National Defense Authorization Act (NDAA) of 2008, has designated The Director, Career Acquisition Management (DACM) to manage the Defense Acquisition Workforce Development Fund (DAWDF) for the Department of the Navy (DoN). The Director, Navy Acquisition Career Center (NACC) oversees execution of the fund; the Defense Acquisition University is the Department of Defense (DOD) Fund holder. This guidance is derived from existing Department policies, statutes and regulatory requirements.

1.2. DAWDF authorizes funds for the recruitment, hiring, retention and training of designated DoN Acquisition Workforce Personnel. The DAWDF (Section 852) program allows for the hiring of AWF personnel at three different levels: Interns, Associates, and Experts. The DoN DAWDF Hiring Plan for FY10-FY15 is shown in Table 1.

DAWDF Hiring Plan - Navy

	FY10	FY11	FY12	FY13	FY14	FY15	Total Growth
Interns	400	250	250	250	65	0	1215
Associates	100	90	0	100	85	0	375
TOTAL	500	340	250	350	150	0	1590

Table 1.

1.3. In keeping with DoN's acquisition workforce strategy, the primary focus of growth and use of 852 funds shall be in the areas of business and financial management, cost estimating, logistics, program management, systems engineering, test and evaluation, information technology, facilities engineering and contracting. As of September 2010, Military Departments are authorized the use of 852 funds to hire attorneys. DoN will hire 40 acquisition attorneys in the FYDP.

1.4. Funding is segregated into seven acquisition workforce categories: Training Enhancement and Capacity Expansion; Retention and Recognition Incentives; Career Broadening and Academic Programs; Intern Programs; Recruiting Incentives; Journeyman Hiring; and Highly Qualified Experts (HQEs).

1.5. Section 852 funding may not be used to: (1) pay contractors or contractor employees, other than for the purpose of providing advanced training to Department of Defense employees; (2) pay the base salary of any person who was an employee of the Department serving in a position in the department as of January 28, 2008; (3) pay the

base salary of any person employed in Navy Working Capital Fund activities except for funded orders necessary for training; or (4) non-acquisition designated workforce personnel.

1.6. Management of centrally hired DAWDF personnel will use the same organizational structure as the Naval Acquisition Intern Program. Personnel hired through the DAWDF will reside on the Bureau of Navy Personnel/Naval Education and Training Command rolls under a separate unit identification code (UIC).

2. Program Requirements.

2.1. Employee or service member eligibility criteria.

2.1.1. Funds are available only for approved recruitment, training, and retention of designated acquisition personnel of the DON including for the provision of training and retention incentives to the acquisition workforce of the Department.

2.1.2. Upon hiring into an acquisition position, AWF members are allowed 24 months to meet their certification requirements (grace period). Members are required to achieve 80 continuous learning points every two years.

2.1.3. Employees or service members who receive retention incentives or bonuses must be acquisition certified or still within their grace period of being certified at the required level. They must also meet Continuous Learning (CL) requirements or be within their grace period to meet the requirements.

2.1.4. Civilian employees must maintain a minimum rating of record of "Valued Employee" or equivalent during the service period.

2.2. DACM has designated NACC to manage and fund Interns and Associates under the Naval Acquisition Development Program (NADP) umbrella. Incentives and student loan repayment for Naval Acquisition Intern Program (NAIP) and Naval Acquisition Associate Program (NAAP) will be in accordance with NADP program guidelines.

2.3. For their Acquisition Workforce personnel, SYSCOMs must establish requirements, plans, and policy to implement section 852 line items dedicated to training enhancement, retention, recognition, student loan repayment, and recruiting incentives as well as ensuring equitable distribution of these repayments and incentives.

3. Responsibilities.

3.1. The Principal Civilian Deputy Assistant Secretary of the Navy (Research, Development and Acquisition) (PCDASN) shall:

3.1.1. Maintain Program oversight;

3.1.2. Approve the annual budget for the Department of the Navy; and

3.1.3. Serve as an advisor for Mid-year 852 Program Reviews.

3.2. The DACM shall:

3.2.1. Execute Program Management responsibilities;

3.2.2. Ensure program requirements and priorities are aligned with DON Acquisition Workforce Strategic Plan;

3.2.3. Approve line item funding transfers and hiring reallocation requests from Budget Submitting Offices (BSOs);

3.2.4. Chair Mid-Year Reviews with BSOs; and

3.2.5. Provide Program Guidance.

3.3. The Director, NACC shall:

3.3.1. Execute DAWDF (Section 852) Program;

3.3.2. Monitor funds execution to ensure obligations rates meet financial management standards;

3.3.3. Review and approve all funding requests;

3.3.4. Seek higher level review as needed;

3.3.5. Schedule and coordinate Mid-year Reviews with BSOs;

3.3.6. Report monthly execution status to DACM; and

3.3.7. Maintain reference (a).

3.4. Systems Commands (SYSCOM) shall:

3.4.1. Establish a Section 852 manager;

3.4.2. Submit annual program requirements in a prioritized sequence to NACC, copy to DACM, to ensure the most effective and efficient use of Section 852 funds and to ensure alignment with the Navy's DAWDF Recruiting and Hiring Intern growth plan; and

3.4.3. Report Section 852 metrics and status during (1) quarterly acquisition Workforce updates with PCD, ASN(RD&A), and DACM, and (2) during DAWDF (Section 852) Mid-year Review with DACM and NACC.

4. Funding.

4.1. Funding will be provided to the SYSCOMs via the procedures outlined in reference (a) on a quarterly basis until Navy receives the full funding allocation for the execution year. Upon notification of receipt of full funding SYSCOMs may request their total allocation.

4.2. Subordinate SYSCOM organizations are responsible to the SYSCOM POC for all spending. In the event of funding constriction, the first funding priority is labor costs associated with the NADP.

4.3. Mid-year Obligation and Expenditure rate will be the basis for 4th quarter and future allocations.

5. Specific Line Item Details.

5.1. Line Item 1 – Training Enhancement and Capacity Expansion

5.1.1. This line item is designed to provide functional, leadership and management style training to the Acquisition Workforce. Additionally, it may be used for curriculum development, system educational opportunities, and travel expenses associated with class attendance. Examples include: Master of Science in Systems Engineering at Naval Postgraduate School, development of Test and Evaluation University curriculum, Executive Leadership at Harvard University, or Cost Principles class attendance. Directly related career field training should receive priority in funding trade-off decisions. SYSCOMS shall collect metrics by which to measure success of new training initiatives and curriculum development, and report during Mid-year Reviews.

5.2. Line Item 5 – Retention and Recognition Incentives

5.2.1. Initiative 14 – PCS Move Funding/Relocation Incentives
Relocation incentives may be paid when position is likely to be difficult to fill and desired employee is to be relocated 50 or more miles. SYSCOM must certify that member(s) is not under another recruitment incentive service agreement or previously authorized relocation incentive service agreement. SYSCOM will execute a service agreement in accordance with OPM Regulations.

5.2.2. Initiative 74 – Retention Incentives – May be paid when mission requirements are deemed special and match the employee's services such as making it essential to retain the employee onboard in his or her current position. SYSCOM will execute a service agreement in accordance with OPM Regulations.

5.3. Line Item 6 – Career Broadening and Academic Programs - Provided to expand the centrally funded Acquisition Workforce Tuition Assistance Program (AWTAP). The AWTAP is the DoN DACM's Navy-wide tuition assistance program. The AWTAP assists civilian acquisition workforce members in meeting education standards for DAWIA certification for their designated career field and to comply with statutory requirements. Tuition Assistance may be used for 24 semester credit hours of approved business related curriculum required for Acquisition Corps membership or certification, DAWIA Enhancing Degrees in business, technical or scientific programs, or a Master's Degree in business-related fields such as business, business management or business administration. A Master's degree is considered desirable for all career fields. The AWTAP is limited to $6,300 per fiscal year. Military acquisition workforce members are not eligible to participant in AWTAP.

5.4. Line Item 7 – Intern Programs (Naval Acquisition Intern Program (NAIP)) hires high caliber applicants from selected colleges and universities to the DoN Acquisition Workforce in the CON, LOG, BUS-CE, BUS-FM, and SPRDE acquisition career fields. NAIP employees must have clearly identified rotational assignments during their program, funded through the NACC. Interns will complete the Acquisition Intern Leadership Development (AILD) course. The Command funds any additional rotations beyond the Master Development Plan (MDP) requirements. DAWIA certification at level II is required for graduation from the program in all career fields except BUS-CE and BUS-FM, (BUS-CE and BUS-FM both require four years experience).

5.5. Line Item 8 – Recruiting Incentives

5.5.1. Initiative 41 – Student Loan Repayment
The Federal student loan repayment program permits agencies to repay federally insured student loans as a recruitment or retention incentive for candidates or current employees of the agency. The program implements 5 U.S.C. 5379, which authorizes agencies to set up their own student loan repayment programs to attract or retain highly qualified employees. SYSCOM will execute a three year service agreement for all recipients and maintain the agreements in accordance with OPM regulations.

5.5.2. Initiative 63 – Recruiting Incentive Program
An agency may pay a recruitment incentive to a newly-appointed employee if the agency has determined that the position is likely to be difficult to fill in the absence of an incentive. "Newly

appointed" refers to the first appointment (regardless of tenure) as an employee of the Federal Government, an appointment following a break in service of at least 90 days from a previous appointment as an employee of the Federal Government, or, in certain cases, an appointment following a break in service of less than 90 days from a previous appointment as an employee of the Federal Government. SYSCOM will execute a service agreement in accordance with OPM Regulations.

5.5.3. Initiative 64 – College Student Recruitment Program
Funding is designated to support college recruitment and outreach to enable DoN to be the "Employer of Choice" among college graduates. Special emphasis recruiting receives top priority.

5.6. Line Item 10 – Journeyman Program (Naval Acquisition Associate Program (NAAP)) - Utilizes Expedited Hiring Authority to hire Journeyman in the grades of GS-11 through GS-13, in the CON, LOG, PM, BUS-CE, BUS-FM, T&E, SPRDE, IT, PQM and FE acquisition career fields. Rotational assignments will be optional and at the host command's discretion. Section 852 funding will be provided for up to one 59-day CONUS, AK and HI external rotation. Journeymen are expected to complete DAWIA Level II certification in their designated career field. Journeymen will complete the Acquisition Journeyman Leadership Development (AJLD) course, a 2.5 day leadership course designed for GS-12 to GS-14 executed by NACC for the DACM. Geo locations vary and are normally in Navy concentration areas. Host commands will conduct indoctrination into the NAAP and local command programs.

5.7. Line Item 11 – Expert (E) - The Expert program is designed to incorporate Subject Matter Experts into the Acquisition Workforce and may be either GS-14/15 or approved Highly Qualified Experts. Program participants may be either permanent or temporary employees. Funding will be provided for designated participants for the duration of the Section 852 program on a reimbursable basis.

6. Reporting Requirements.

6.1. SYSCOMs will provide monthly execution report by Line Item and initiative to NACC, cc: DACM by the 4th working day of the month. The report will contain Section 852 funds received, obligated and expended. Additional metrics will be provided by initiative to show the breadth and depth of Section 852 funding impact.

6.2. SYSCOMs will identify prioritized annual requirements not later than 30 May yearly.

6.3. Mid-year review will be conducted to ensure proper and adequate execution of the Section 852 funds.

6.4. SYSCOMs will report section 852 status and metrics during AWF Quarterly Review with PCD and DACM, ASN (RD&A).