



DEPARTMENT OF DEFENSE

Office of the Secretary

[Docket ID: DOD-2026-OS-1321]

Civilian Acquisition Workforce Personnel Demonstration (AcqDemo) Project; Department of Defense (DoD)

AGENCY: Office of the Under Secretary of Defense for Acquisition and Sustainment (USD(A&S)), DoD.

ACTION: Notice of proposed amendment for modification and adoption of personnel management flexibility; request for comments.

SUMMARY: The Department of Defense (referred to herein as “the Department”, “Department of War” or “DoW”) is providing notice of a proposed amendment and modification to the DoW Civilian Acquisition Workforce Personnel Demonstration Project (AcqDemo) Plan. This action amends and modifies the existing Federal Register notice by adopting, by reference, certain provisions from the Department’s Science and Technology Reinvention Laboratories (STRs) personnel demonstration project plans, where consistent with AcqDemo’s statutory authority. It consolidates policy updates, modifies previous interventions, and incorporates new flexibilities for hiring, pay administration, and workforce shaping. These amendments will strengthen DoW’s ability to attract, develop, and retain a highly skilled Warfighting Acquisition Workforce through the expanded use of modernized pay and personnel flexibilities.

DATES: Consideration will be given to all comments received on or before [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]. The provisions of this amendment will become effective 30 days after the date of final publication.

ADDRESSES: You may submit comments, identified by the docket number and title, by any of the following methods: *Federal e-Rulemaking Portal*: <http://www.regulations.gov>. Follow the instructions for submitting comments. Mail: Department of Defense, Office of the Director of Administration and Management, Oversight and Compliance Directorate, Regulatory Division, 4800 Mark Center Drive, Mailbox #24, Suite 05F16, Alexandria, VA 22350-1700.

Instructions: All submissions received must include the agency name, docket number and title for this Federal Register document. The general policy for comments and other submissions from members of the public is to make these submissions available for public viewing on the Internet at <http://www.regulations.gov> as they are received without change, including any personal identifiers or contact information.

FOR FURTHER INFORMATION CONTACT: Mr. Scott Wortman, Program Manager, Civilian Acquisition Workforce Personnel Demonstration Project, 9820 Belvoir Road, Fort Belvoir, VA 22060; (703) 805-5050; or Ms. Megan Maciejewski, Defense Civilian Personnel Advisory Service, Human Resources Operational Programs and Advisory Services, Staffing Policy Division, 4800 Mark Center Drive, Suite 05F16, Alexandria, VA 22350; (571) 372-1538.

SUPPLEMENTARY INFORMATION:

I. Legal Authority

The AcqDemo project is authorized under 10 U.S.C. 1762. The Department of War implemented the project through publication in the Federal Register at 82 FR 52104. The Secretary of War has delegated authority for administration of the project to the Under Secretary of War for Acquisition and Sustainment (USW(A&S)).

II. Summary of Changes

This notice proposes a major modification to the existing AcqDemo Project Plan. Except as expressly modified by this amendment, all provisions of the 2017 Project Plan remain in effect.

This proposed amendment –

- Adopts, by reference, select provisions from multiple approved STRL personnel demonstration project plans as provisions of the AcqDemo Project Plan. Specific references to the applicable STRL plan and corresponding AcqDemo Project plan sections are identified in the New Flexibilities section of this notice.
- Adopts specific pay administration and incentive provisions from approved DoW personnel demonstration project plans, pursuant to 10 U.S.C. 1762 (see, e.g., Sections II.C and II.D, 82 FR 52104);
- Expands compensation and incentive flexibilities consistent with existing AcqDemo design principles (Sections II.C.6, II.C.10, and II.D, 82 FR 52104);
- Adds new pay and workforce-shaping interventions by amending and supplementing existing compensation, incentive and pay-administration provisions of the 2017 AcqDemo Project Plan, within applicable statutory and regulatory limitations (Sections II.C and II.D, 82 FR 52104).
- Waiving Chapter 53, Section 5379(a)(1) and (b)(2) – Student Loan Repayment. Waived to the extent necessary to define agency as an AcqDemo organization and to allow provisions of the student loan repayment authority as described in this FRN amendment, pursuant to the AcqDemo authority under 10 U.S.C. 1762.

III. New Flexibilities

The flexibilities described herein are established pursuant to, or adopted by reference under, the AcqDemo demonstration authority in 10 U.S.C. 1762 and are intended to supplement existing AcqDemo Project Plan provisions unless otherwise expressly stated. All pay, compensation, and workforce-shaping flexibilities described in this amendment are implemented pursuant to AcqDemo's demonstration project authority under 10 U.S.C. 1762. This amendment requests a waiver of the specified regulatory provision solely to the extent necessary to implement the associated AcqDemo flexibility as described in this Federal Register Notice.

- Out-of-Cycle Within-Broadband Pay Increases (supplementing Section II.C.10.a.(1), 82 FR 52104). AcqDemo participating organizations may authorize within-broadband pay increases outside the annual contribution-based compensation cycle to address mission needs, reassignment, or sustained high levels of contribution. A basic pay increase may be granted when a reassignment results in a significant increase in complexity, responsibility, or authority, or for other compelling reasons. This flexibility supplements and does not replace existing AcqDemo pay progression contribution-based compensation rules. Any within-broadband pay increase must be applied in accordance with limitations and percentage guidance outlined in the AcqDemo Operating Guide. Authority for this flexibility is adopted from STRL authority referenced in 85 FR 76038.
- Distinguished Contribution Allowance (DCA) (supplementing Section II.C.16., 82 FR 52104). Pursuant to the demonstration project authority under 10 U.S.C. 1762, participating AcqDemo organizations may provide a Distinguished Contribution Allowance (DCA) to recognize and incentivize employees who consistently perform at an exceptionally high-level and have reached the maximum rate of their applicable broadband pay range. Eligibility for DCA is open to employees in all career paths who are paid at the top of their broadband level. A DCA is added to an employee's pay (to include locality pay and any supervisory differential) and may not exceed the rate of basic pay for Executive Level I. The DCA can be paid bi-weekly, as a lump sum, or a combination of these. Employees may receive a DCA for a period of up to five years, but not more than 10 cumulative years over the course of the employee's Federal career. The DCA does not count as basic pay for any purpose, such as retirement, severance pay, or any other benefit calculated as a percentage of basic pay. Authority for this flexibility is adopted from STRL authority referenced in 89 FR 13548.

- Retention Counteroffers (supplementing Section II.C.14.a., 82 FR 52104). Pursuant to the demonstration project authority under 10 U.S.C. 1762, participating AcqDemo organizations may offer retention counter offers to retain high-performing employees with critical acquisition knowledge and skills who present evidence of an alternative employment opportunity with higher compensation. Authorizes retention counter offers that may include a basic pay increase (up to the broadband ceiling) and/or a one-time cash payment not to exceed 50 percent of annual basic pay. Counteroffers may be used selectively for the highest-performing employees with critical skills, as determined by the participating organization, and must be consistent with applicable AcqDemo Operating Guide policies. Retention counteroffers, either in the form of a basic pay increase and/or a bonus, are subject to the aggregate limitation on pay under 5 U.S.C. 5307 and 5 CFR part 530, subpart B. Authority for this flexibility is adopted from STRL authority referenced in 89 FR 13548.
- Accelerated Compensation for Developmental Positions (ACDP) (amending Section II.C.11.a. and related provisions, 82 FR 52104). Pursuant to the demonstration project authority under 10 U.S.C. 1762, participating AcqDemo organizations may provide accelerated compensation for employees in DAWIA-coded positions and those in positions requiring 51% or more of the time in direct support of acquisition positions within a critical acquisition functional area. This flexibility applies to positions classified to Broadband Levels I, II, III and IV of the Business and Technical Management Professional Career Path. This amendment expands the application of ACDP to the NH-IV broadband level for developmental positions, allowing successive pay increases of up to 20 percent in 12-month intervals, based on successful completion of development plans. Additional eligibility criteria, limitations, and implementation procedures will be outlined in the AcqDemo Operating Guide.

- Official Transcript Requirement Waiver (supplementing Section II.B.3.a.(1), 82 FR 52104). The requirement to receive official academic transcripts prior to establishing an Entrance-on-Duty (EOD) date is waived. Servicing personnel offices may use unofficial transcripts or a letter from a registrar or dean to make qualification determinations, subject to receipt of official transcripts within 30 calendar days after EOD. Additional criteria and implementation procedures will be outlined in the AcqDemo Operating Guide. Authority for this flexibility is adopted from STRL authority referenced in 89 FR 13548.
- Student Loan Repayment (supplementing Section II.C.17, 82 FR 52104). Pursuant to the demonstration project authority under 10 U.S.C. 1762, participating AcqDemo organizations may provide student loan repayment benefits in line with current tuition costs and adjusted based on inflation without higher level approval. Chapter 53, Section 5379(a)(1) and (b)(2) – Student Loan Repayment. Waived to the extent necessary to define agency as an AcqDemo organization and to allow provisions of the student loan repayment authority as described in this FRN amendment, pursuant to the AcqDemo authority under 10 U.S.C. 1762. Authority for this flexibility is adopted from STRL authority referenced in 85 FR 78829.
 - Student Loan Repayment: AcqDemo organizations may provide student loan repayment options that are in line with current tuition costs and adjusted based on inflation without higher level approval. This authority provides the ability to repay all, or part, of an outstanding qualifying student loan or loans previously taken out by a current AcqDemo employee or a candidate to whom an offer of employment has been made. The amount of student loan repayment benefits provided is subject to both of the following limits: (a) Up to \$25,000 per employee per calendar year, and (b) A total of \$125,000 per employee. The heads of participating organizations (the Commander, Executive Director, or

equivalent, or designee), will have delegated pay administration authority to approve student loan repayments for AcqDemo positions.

- The USW(A&S) may increase these amounts as deemed necessary to stay competitive with private industry and academia. Eligibilities, conditions, qualifying student loans, and required service agreements remain the same as found in 5 CFR part 537. Loan payments made under this part do not exempt an employee from his or her responsibility and/or liability for any loan(s) the individual has taken out. The employee is responsible for any income tax obligations resulting from the student loan repayment benefit.

IV. Administrative Changes/Clarifications

This amendment makes the following administrative changes to the 2017 AcqDemo Project Plan, originally published at 82 FR 52104.:

- Amends Section I.B.1 to update the designation of the Under Secretary of War for Acquisition and Sustainment (USW(A&S)) as the DoW official with primary responsibility for oversight and administration of the AcqDemo Project (Amending Section I.B.1, 82 FR 52104)
- Amends Section I.E.1 to remove references to population ceilings and sunset dates, aligning the AcqDemo Project Plan language with the underlying source authority in 10 U.S.C. 1762 (Amending Section I.E.1 82 FR 52104).
- Amends Section I.F.1. to revise the labor obligations provisions to align with 5 U.S.C. 4703. Employees in units represented exclusively by a labor organization under chapter 71 of title 5, U.S.C., shall not be included within AcqDemo: (1) if inclusion would violate a collective bargaining agreement, unless both parties have entered into a written agreement permitting inclusion; or (2) if no such agreement exists, until the labor organization and agency consult or negotiate, as required. To maintain the integrity of the acquisition demonstration project, parties are not permitted to include provisions that conflict with the design or intent of the

project initiatives. Modifications to initiatives may only be made in accordance with Section I.B.3 of this project plan. The parties may use mediation or any other mutually acceptable means to resolve disputes over the implementation of the project with respect to bargaining unit employees. Negotiations shall be subject to binding impasse procedures under 5 U.S.C. 7119. Written agreements addressing the initial implementation of the demonstration project to bargaining unit members of participating organizations are subject to agency head review and approval within DoW prior to implementation. Thus, agreements will be reviewed as provided in 5 U.S.C. 7114(c). (Amending Section I.F.1., 82 FR 52104.)

- Amends the AcqDemo website URL reference to <https://www.waru.edu/acqdemo>. (Amending Introduction Section E, Sections I.B.3, I.B.4, II.A.5, and II.D.2(d), 82 FR 52104).
- Aligns Warfighting Acquisition Workforce terminology to DoD Instruction 5000.66, "Defense Acquisition Workforce Education, Training, Experience, and Career Development Program".
- Amends Section II.A.6. to revise the Fair Labor Standards Act (FLSA) provisions to clarify that supervisors and managers are responsible for determining whether a position is exempt or non-exempt under the FLSA when preparing Position Requirements documents (PRDs). Supervisors and managers determine exemption or non-exemption status on Position Requirements Document consistent with criteria found in 5 CFR part 551. All employees are covered by the FLSA unless they meet criteria for exemption. Positions will be evaluated as needed by comparing the duties and responsibilities assigned, the broadband level descriptors for each broadband level, and 5 CFR part 551 FLSA criteria. Individuals knowledgeable and experienced in making FLSA determinations, to include Human Resources Specialists, will provide ongoing consultation and guidance to managers and supervisors in determining FLSA exemption status. (Amending Section II.A.6, 82 FR 52104).
- Amends Section II.D.2.(f) by revising the "Very High" contribution score methodology to allow single-increment scoring within career paths NH, NJ and NK; updates Table 2,

“Contribution Categorical Scores and Numerical Score Ranges by Career Path” accordingly and limits eligibility for “Very High” scores to employees in Level IV of the Business and Technical Management Professional Career Path, Level IV of the Technical Management Support Career Path or Level III of the Administrative Support Career Path. (Amending Section II.D.2(f), 82 FR 52104).

		Business and Technical Professional (NH)	Technical Support (NJ)	Administrative Support (NK)
Broadband and Very High Score Levels	Categorical Scores	Numerical Score Ranges	Numerical Score Ranges	Numerical Score Ranges
Very High Score	Very High	101-115	84-95	62-70

- Supplements Section II.F.1.a.(1) by inserting the conversion buy-in information through the addition of the following table (Supplementing Section II.F.1.a(1), 82 FR 52104):

Table 7 CONVERSION BUY-IN FORMULA

$\begin{aligned} &(\text{Time-In-Step} / \text{Time-Between-Step}) \times \text{Step Increase} = \text{WGI Buy-In} \\ &\text{WGI Buy-In} + \text{Current Base Pay} = \text{New AcqDemo Basic Pay} \\ &\text{New AcqDemo Basic Pay} \times \text{Locality \%} = \text{New Locality Pay} \\ &\text{New AcqDemo Basic Pay} + \text{New Locality Pay} = \text{New AcqDemo Adjusted Basic Pay} \end{aligned}$
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- Amends Section II.F.1.a.(1) conversion into AcqDemo calculation language to replace the term “weeks” with “days,” to accurately reflect the number of days of service an employee has completed in their step as of the effective date of conversion. (Amending Section II.F.1.a(1), 82 FR 52104).
- Amends Section II.F.3.e.(1) – (6) to clarify the application of conversion-out of AcqDemo pay-setting rules by specifying the methodology used to determine an employee’s equivalent General Schedule (GS) Grade upon conversion out of AcqDemo, consistent with existing AcqDemo Project Plan provisions. (Amending Section II.F.3.e.(1) – (6), 82 FR 52104).

(1) The employee's basic pay under the demonstration project, which excludes any locality payment, is compared with the step 4 rate in the highest applicable General

Schedule (GS) rate range. For this purpose, the GS rate range utilized is the GS base schedule for the corresponding calendar year.

- (2) If the employee's demonstration project rate of basic pay equals or exceeds the applicable step 4 rate of the highest GS grade encompassed in the broadband, the employee is converted to that grade.
- (3) If the employee's demonstration project rate of basic pay is lower than the applicable step 4 rate of the highest grade, the rate of basic pay is compared with the step 4 rate of the second-highest grade in the employee's broadband. If the employee's rate of basic pay equals or exceeds the step 4 rate of the second-highest grade, the employee is converted to that grade.
- (4) This process is repeated for each successively lower grade encompassed in the broadband until a grade is found in which the employee's demonstration project rate of basic pay equals or exceeds the applicable step 4 rate of the grade. The employee is then converted at that grade. If the employee's rate of basic pay is below the step 4 rate of the lowest grade in the broadband, the employee is converted to the lowest grade.
- (5) Exception: An employee will not be converted to a lower grade than the grade held by the employee immediately preceding a conversion, lateral assignment, or lateral transfer into the demonstration project unless, since that time the employee has undergone a reduction in broadband level or reduction in pay based upon an adverse action, a contribution-based action, a reduction-in-force action, or a voluntary change to lower broadband level.

Exception: If the employee's demonstration project rate of basic pay exceeds the maximum rate of the grade assigned under the above-described step 4 rule but fits in the rate range for the next higher applicable grade (i.e., between step 1 and step 4), then the employee shall be converted to that next higher applicable grade).

- Amends Section II.F.3.f. to clarify the application of conversion-out of AcqDemo pay-setting rules by specifying the methodology used to determine an employee's equivalent GS rate of pay upon conversion out of AcqDemo, consistent with existing AcqDemo Project Plan provisions. (Amending Section II.F.3.f. and Section II.F.3.f.(1) – (5), 82 FR 52104).

f. Determining an Equivalent GS Rate of Pay. An employee's pay within the equivalent GS grade is set by converting the employee's demonstration project rate of basic pay to a GS rate of pay in accordance with the following rules:

- (1) The pay conversion is done before any geographic movement or other pay-related action that coincides with the employee's movement or conversion out of the demonstration project.
- (2) An employee's rate of basic pay under the demonstration project (excluding any locality payment) is converted to a GS rate on the highest applicable rate range for the converted GS grade. For this purpose, the GS rate range utilized is the GS base schedule for the corresponding calendar year.
- (3) The employee's demonstration project rate of basic pay is converted to a GS base rate of pay. If this rate falls between two steps on the GS base schedule, the rate of pay must be set at the higher step.
- (4) Once the GS rate of basic pay is determined, the employee must receive the greatest of the applicable rates of pay. If the highest applicable GS rate range for the employee's determined grade and step is a special rate range, the employee's demonstration project rate of basic pay is converted to a special rate. If the highest applicable GS rate range for the employee's determined grade and step is a GS locality pay rate range, the employee's demonstration project rate is converted to a GS locality rate of pay.
- (5) Retained Pay. If an employee is receiving a retained rate under the demonstration project, the employee's GS-equivalent grade is the highest referenced grade

encompassed in his/her broadband level. The employee's GS-equivalent rate of pay will equal the employee's retained rate.

- Amends to revise Table 5, “OCS and Basic Pay Ranges by Career Path and Broadband Level” by removing reference to GS basic pay salary rates and streamlining the table to reflect only the minimum and maximum equivalent GS pay ranges. (Amending Table 5, 82 FR 52104).

Table 5 OCS and Basic Pay Ranges by Career Path and Broadband Level

Broadband and Very High Score Levels	GS Grades	Numerical Score Range	Basic Pay Range (Minimum to Maximum)
Business Management and Technical Management Professional (NH)			
I	1 – 4	0 – 29	Minimum Basic Pay Equivalent to GS-1 Step 1 to Maximum Basic Pay Equivalent to GS-4 Step 10
II	5 – 11	22 – 66	Minimum Basic Pay Equivalent to GS-5 Step 1 to Maximum Basic Pay Equivalent to GS-11 Step 10
III	12 – 13	61 – 83	Minimum Basic Pay Equivalent to GS-12 Step 1 to Maximum Basic Pay Equivalent to GS-13 Step 10
IV	14 – 15	79 – 100	Minimum Basic Pay Equivalent to GS-14 Step 1 to Maximum Basic Pay Equivalent to GS-15 Step 10
Very High Score	N/A	101-115	N/A
Technical Management Support (NJ)			
I	1 – 4	0 - 29	Minimum Basic Pay Equivalent to GS-1 Step 1 to Maximum Basic Pay Equivalent to GS-4 Step 10
II	5 – 8	22 - 51	Minimum Basic Pay Equivalent to GS-5 Step 1 to Maximum Basic Pay Equivalent to GS-8 Step 10
III	9 – 11	43 - 66	Minimum Basic Pay Equivalent to GS-9 Step 1 to Maximum Basic Pay Equivalent to GS-11 Step 10
IV	12 – 13	61 - 83	Minimum Basic Pay Equivalent to GS-12 Step 1 to Maximum Basic Pay Equivalent to GS-13 Step 10
Very High Score	N/A	84-95	N/A
Administrative Support (NK)			
I	1 – 4	0 - 29	Minimum Basic Pay Equivalent to GS-1 Step 1 to Maximum Basic Pay Equivalent to GS-4 Step 10
II	5 – 7	22 - 46	Minimum Basic Pay Equivalent to GS-5 Step 1 to Maximum Basic Pay Equivalent to GS-7 Step 10
III	8 – 10	38 - 61	Minimum Basic Pay Equivalent to GS-8 Step 1 to Maximum Basic Pay Equivalent to GS-10 Step 10
Very High Score	N/A	62-95	N/A

- Supplements to update Appendix B by expanding Table 1 “Table of Eligible Organizations,” which consolidates previously established tables and incorporates newly approved organizations, consistent with approvals published in the 2017 AcqDemo Federal Register notice. (Supplementing Appendix B, 82 FR 52104).

DoD Component	Organization	Locations
Department of the Army	U.S. Army Futures and Modernization Command (AFC)	All locations
Department of the Army	Army Rapid Capabilities and Critical Technologies Office (RCCTO)	All locations
Department of the Army	Joint Munitions Command (JMC)	All locations
Department of the Army	Crane Army Ammunition Activity (CAAA)	All locations
Department of the Navy	Naval Facilities Engineering Systems Command (NAVFAC)	Washington DC, WNY
Department of the Air Force	United States Space Force (USSF)	All locations
Department of the Air Force	Global Strike Command (AFGSC)	All locations
Department of the Air Force	Air Force Materiel Command (AFMC) – All	All locations
Department of the Air Force	Assistant Secretary of the Air Force (Financial Management and Comptroller) (SAF/FM) and Secretary of the Air Force (General Counsel) (GC)	All locations
Combatant Commands	U.S. Strategic Command (USSTRATCOM)	All locations
Combatant Commands	U.S. Space Command (USSPACECOM)	All locations
Office of the Secretary of Defense	Strategic Capabilities Office (SCO)	All locations
Office of the Secretary of Defense	Defense Innovation Unit (DIU)	All locations
Office of the Secretary of Defense	Defense Innovation Board (DIB)	All locations
Defense Agencies & Field Activities	Defense Test Resource Management Center (DTRMC)	All locations
Defense Agencies & Field Activities	Washington Headquarters Services (WHS), Acquisition Directorate	All locations
Defense Agencies & Field Activities	Defense Health Agency	All locations

- Supplements to update Appendix C by expanding the “Occupational Series Included in the AcqDemo Project,” to reflect occupational series that have been added or modified by the Office of Personnel Management. (Supplementing Appendix C, 82 FR 52104).

Pay Plan / Career Path	Occupational Series Number	Occupational Series Title
NH – Business Management & Technical Management Professional	0670	Health Systems Administrator

NH – Business Management & Technical Management Professional	1560	Data Science
NJ – Technical Management Support	0083	Police
NJ – Technical Management Support	0640	Health Aid and Technician
NJ – Technical Management Support	0645	Medical Technician and Laboratory Aide
NJ – Technical Management Support	0661	Pharmacy Technician

- Supplementing Section VII.B, “Required Waivers to Law and Regulations,” 82 FR 52104 to explicitly identify the existing waiver of 5 U.S.C. Chapter 33, Section 3326, Appointments of Retired members of the armed forces to positions within the DoW. Waived as necessary to appoint a retired military member within the 180 period after retirement without having to receive a waiver. This clarification does not establish new authorities or waive any additional statutory or regulatory requirements, as the applicable provisions of Chapter 33, Subchapter I, are already waived, with the exception of sections 3302, 3321, and 3328.
- In compliance with federal mandate, removes terminology related to Diversity, Equity, and Inclusion from official documents, including but not limited to, the original FR notice, Position Requirements Document and Factor Descriptors (Sections II.A and II.D, 82 FR 52104).

V. Participating Organizations and Coverage

Eligible organizations must consist of at least one-third employees in coded acquisition positions and a combination of at least two-thirds acquisition employees and/or personnel directly supporting the acquisition mission.

Dated: June 12, 2026.

Stephanie J. Bost,

Alternate OSD Federal Register Liaison Officer,

Department of Defense.

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