Urgent Reform Required: Army Expeditionary Contracting

An Independent Assessment:
Report of the “Commission on Army Acquisition and Program Management in Expeditionary Operations”

October 31, 2007
Commission Charter

• **An independent** Commission, chartered by the Secretary
  – Review lessons learned
  – Make recommendations to assist the Army in ensuring that **future** operations achieve greater effectiveness, efficiency, and transparency

• **Areas for study:**
  – Army acquisition activities in Central Command (CENTCOM) area
  – Organizational alignments of responsibility
  – Personnel staffing – numbers, skills, and training
  – Oversight and management
  – Responsiveness; visibility; and controls
  – Budgeting and financial management
  – Sufficiency of extant legislation

• **Commission not chartered to address:**
  – Current fraud issues (covered by LTG Ross Thompson’s Army Contracting Task Force)
  – Equipment accountability (the focus of DoD Inspector General LTG (Ret) Claude Kicklighter)
  – Private security contracts (the focus of AMB Patrick Kennedy)
Commission Membership

- Dr. Jacques S. Gansler, Chairman, former Under Secretary of Defense (Acquisition, Technology & Logistics)
- David J. Berteau, former Principal Deputy Assistant Secretary of Defense (Production & Logistics)
- David M. Maddox, General (Retired), U.S. Army, former Commander, U.S. Army Europe
- David R. Oliver Jr., Rear Admiral (Retired), U.S. Navy, former Director, Office of Management and Budget, Coalition Provisional Authority, Iraq
- Leon E. Salomon, General (Retired), U.S. Army, former Commander, U.S. Army Materiel Command
- George T. Singley III, former Deputy Director, Defense Research & Engineering
Commission Acknowledgments

- Anderson Jr., Frank J. Brigadier General U.S. Air Force (Retired), President, Defense Acquisition University
- Assad, Shay, Director Defense Procurement and Acquisition Policy
- Bass, Joseph, Colonel, U.S. Army, Commander, 408th Contracting Support Brigade (Kuwait)
- Bailey, Angela, DCMA Recruitment and Special Projects Office
- Ballard, Tina, Deputy Assistant Secretary of the Army (Policy & Procurement)
- Beasley, William, Director (Acting) Office of Beasley
- Chappell, Harold, Vice President, CH2M Hill Services
- Chaverini Jr., Vince, Division Chief, Worldwide Programs Office of Logistics Management, U.S. Dept. of State
- Cho, William, Captain, 408th Contracting Support Brigade (Kuwait)
- Chiarelli, Peter, Lieutenant General U.S. Army, Special Assistant to the commander of the United States Central Command for the Development of Regional Military Capabilities
- Clarke, Emily, Director, Business Operations and Enterprise Systems, Office of the Deputy Secretary of the Army (Policy and Procurement)
- Clement, Steven, Dr., Deputy Under Secretary of the Army for Business Transformation
- Cocco, John, Lieutenant Colonel, U.S. Army, 408th Contracting Support Brigade (Kuwait)
- Coffey, Carol, Government Accountability Office
- Cole, Wade, 408th Contracting Support Brigade (Kuwait)
- Condon, Kathryn, Executive Deputy to the Commanding General, U.S. Army Materiel Command
- Cupp, Ceann, 408th Contracting Support Brigade (Kuwait)
- Daly, John, Gulf Region Division-Regional Implementation Teams, U.S. Army Corps of Engineers
- Dominy, Charles, Lieutenant General U.S. Army (Retired), Vice President, Government Affairs, IAP Worldwide Services, Inc.
- Donnelly, Paulette V., Office of the Procurement Executive, U.S. Department of State
- Doran, Patrick, Captain, U.S. Army, 408th Contracting Support Brigade (Kuwait)
- Doyle, Norbert, Colonel, U.S. Army, PARC, Headquarters, U.S. Army Corps of Engineers
- Duda, David, Chief, Acquisition Career Development
- Durst, Michael, Master Sergeant, U.S. Air Force, SAF/AQC
- Elgart, Edward, PARC, Communications-Electronics Life Cycle Management Command
- Estes, Carol, 408th Contracting Support Brigade (Kuwait)
- Everitt, John, 408th Contracting Support Brigade (Kuwait)
- Farrell, Joseph, 408th Contracting Support Brigade (Kuwait)
- Freeman, Alyrne, 408th Contracting Support Brigade (Kuwait)
- Freer, Joseph, Colonel, U.S. Army, Criminal Investigation Command
- Grover, Jeffrey, Lieutenant Colonel, U.S. Army, Office of Director, Defense Procurement and Acquisition Policy
- Hamilton, Randall, 408th Contracting Support Brigade (Kuwait)
- Hansen, Jake, Colonel, U.S. Army, DCMA Recruitment and Special Projects Office
- Haynes, Yolanda Ms., 408th Contracting Support Brigade (Kuwait)
- Harrison, Ted, Colonel, Commander, 410th Contracting Support Brigade (Americas)
- Hatch, Michael, Senior Counsel, KBR
- Haynes, Eunice, Sergeant First Class, U.S. Army, 408th Contracting Support Brigade (Kuwait)
- Henry, Charles, Major General, U.S. Army (Retired)
- Horn, Douglas, Vice President, KBR
- Hutton, John, Government Accountability Office
- Jones, Merle, 408th Contracting Support Brigade (Kuwait)
- Jones, Robert, Senior Vice President, Fluor Government Group
- Kemplin, Randall, 408th Contracting Support Brigade (Kuwait)
- Kerrins, David, Director of Acquisition Programs, Business Management Division, CACI
- Kilgore, Wesley, Director Major Procurement Fraud Unit, U.S. Army Criminal Investigation Command
- Kiser, Douglas, Lieutenant Colonel, U.S. Army, 408th Contracting Support Brigade (Kuwait)
- Lampe, Debra Ms., 408th Contracting Support Brigade (Kuwait)

To be continued...
Commission Acknowledgments (Continued)

- Lee, Deidre, Director of Management and Chief Acquisition Officer, FEMA
- Loehrl, James, Director of the Acquisition Center and PARC, U.S. Army Sustainment Command
- Lowman, Carol, Director, U.S. Army Contracting Agency, South Region
- McConville, Jonathan, Lieutenant Colonel, U.S. Army, 408th Contracting Support Brigade (Kuwait)
- McGoohan, Dennis, Major, U.S. Army, 408th Contracting Support Brigade (Kuwait)
- Melcher, David F., Lieutenant General, U.S. Army, Headquarters, Department of the Army, Deputy Chief of Staff, G-8
- Mendoza, Wendall, Major, U.S. Army, 408th Contracting Support Brigade (Kuwait)
- Metz, Thomas, Lieutenant General, U.S. Army, Deputy Commanding General, U.S. Army Training and Doctrine Command
- Miller, Daniel, 408th Contracting Support Brigade (Kuwait)
- Mizzoni, Joseph P., Deputy Auditor General, Policy and Operations Management, U.S. Army Audit Agency
- Mitchell, Ralph, Defense Acquisition University
- Moser, Kirk, 408th Contracting Support Brigade (Kuwait)
- Moser, William H., Deputy Assistant Secretary for Logistics Management, Department of State
- Mundle, Verona, 408th Contracting Support Brigade (Kuwait)
- Muzzakir, Saalih, Master Sergeant, U.S. Army, 408th Contracting Support Brigade (Kuwait)
- Myers, Vernon, Major, 408th Contracting Support Brigade (Kuwait)
- Nash, David, Rear Admiral (Retired), U.S. Navy
- Packard, Douglas, Former PARC, Joint Contracting Command-Iraq/Afghanistan
- O’Connor, Jack, Colonel, Executive Officer to the Executive Deputy to the Commanding General, U.S. Army Materiel Command
- Odom, Carl, 408th Contracting Support Brigade (Kuwait)
- O’Scannell, Kenneth J., Dr., Vice President, ACI
- Parson, Jeffrey P., Deputy for Contracting, U.S. Army Materiel Command
- Piccolo, Benjamin, Principal Deputy to the General, Forces and Financial Management, U.S. Army Audit Agency
- Quillin, Scott, Colonel, U.S. Army, 408th Contracting Support Brigade (Kuwait)
- Radin, Jerald, General, Contracting General, U.S. Army
- Raney, Christopher, Director, Business Management, CACI
- Rand, Terry, Dr., Senior Vice President, Division/Division Manager, Business Management, CACI
- Robinson, Kimberly, 408th Contracting Support Brigade (Kuwait)
- Robinson, M. A., 408th Contracting Support Brigade (Kuwait)
- Rosenblum, David, Senior Vice President, CH2M HILL Services
- Schmidt, Ronald, 408th Contracting Support Brigade (Kuwait)
- Scott, L. M., Major General, U.S. Air Force, Commanding General, Joint Contracting Command Iraq/Afghanistan
- Seay, Steven, Brigadier General, U.S. Army (Retired)
- Shafovaloff, Gary, Special Assistant to DAU President and Director, AT&L
- Simmons, Bernard L., Lieutenant Colonel, U.S. Army, 408th Contracting Support Brigade (Kuwait)
- Solis, Ramon, Government Procurement Services Council
- Stone, David, President, IAP
- Thompson, Victoria, 408th Contracting Support Brigade (Kuwait)
- Tuttle, William G.T. Jr., General U.S. Army (Retired)
- Uhler, Dale G. Dr., Acquisition Executive and Senior Procurement Executive, USSOCOM
- Urias, John, Major General, U.S. Army (Retired)
- Van Antwerp, Robert, Lieutenant General, U.S. Army, Chief of Engineers and Commander of the U.S. Army Corps of Engineers
- Vandemier, Vicki Ms., 408th Contracting Support Brigade (Kuwait)
- Vincent, Lenn, Rear Admiral (Retired), U.S. Navy, Defense Acquisition University
- Wallace, William S., General, U.S. Army, Commander, U.S. Army Training and Doctrine Command
- Walter, William, Senior Vice President, KBR
- Warrington, James, Acquisition Director, U.S. Army Research, Development, and Engineering Command
- Washington, Jean, 408th Contracting Support Brigade (Kuwait)
- Weaver, Ty, Lieutenant Colonel, U.S. Army, 408th Contracting Support Brigade (Kuwait)
- Westbrook, Bonnie, 408th Contracting Support Brigade (Kuwait)
- Winters, Brian, Colonel, U.S. Army, Chief Functional Area 51 Military Contracting Officer Management
- Williams, Alan, Deputy, Regional Implementation Teams, U.S. Army Corps of Engineers
- Williams, Charles, Dr., Deputy Assistant Secretary (Contracting), Assistant Secretary (Acquisition), U.S. Air Force
- Yelton, David, 408th Contracting Support Brigade (Kuwait)
- Young, Bryon, Director, U.S. Army Contracting Agency
- Zamparelli, Steve, SAF/AQC
Bottom Line Up Front: The Four Key Elements to Future Success

1. Increase stature, quantity, and career development of contracting personnel, military and civilian (especially for expeditionary* operations)

2. Restructure organization and restore responsibility to facilitate contracting and contract management in expeditionary and CONUS operations

3. Provide training and tools for overall contracting activities in expeditionary operations

4. Obtain legislative, regulatory, and policy assistance to enable contracting effectiveness in expeditionary operations

*The term “expeditionary” includes both OCONUS and domestic emergency operations
Major Findings

- The acquisition failures in expeditionary operations require a systemic fix of the Army acquisition system
- Although the Operational Army* is expeditionary and on a war footing, it does not yet fully recognize the impact of contractors in expeditionary operations and on mission success:
  - Requirements (definition and flexibility)
- Critical segments of the Institutional Army** have not adapted to support responsive acquisitions and sustainment for expeditionary operations:
  - Financial management
  - Personnel (civilian and military)
  - Contracting and contract management
  - Training and education
  - Doctrine, regulations, and processes
- Contracting (from requirements definition through contract management) is not an Army "core-competence"
- The Army has excellent, dedicated people, but they are under-staffed, overworked, under-trained, under-supported, and, most important, under-valued

*Operational Army: Consists of numbered armies, corps, divisions, brigades, and battalions that conduct full spectrum operations around the world.
**Institutional Army: Supports the Operational Army. Institutional organizations provide the infrastructure necessary to raise, train, equip, deploy, and ensure the readiness of all Army forces.
Major Problem Areas

• Contracting should be a core capability of the Army, but it currently is treated as an operational and institutional side issue
• This Commission was unable to get consistent or reliable data on Army contracting career field (military and civilian)
• Only ~3% of Army contracting personnel are active duty military. Many more trained and experienced military personnel (officers and non-commissioned officers) are required in the expeditionary environment
• Despite ~7x workload increase and greater complexity of contracting:
  – Stagnant or declining civilian and military contracting workforce
  – Only 56% of the military officers and 53% of the civilians in the contracting career field are certified for their current positions
  – Army civilian personnel policies are outdated
  – No longer any Army General Officer positions for career contracting professionals (formerly 5 in Army and 4 in Joint Organizations) and trained G.O.s not being used
• Lack of planning and training for expeditionary contracting and contract management (e.g., exercises, civilian “pre-volunteers,” leadership courses)
• Lack of recognition (by operators) of the impact of contracting and contractors in expeditionary operations (yet over 50% of “force” in Iraq is contractors)
Overall DoD Acquisition Workforce Declined Even as Procurement Budgets Increased

DoD Authorization Act for FY96 required DoD to reduce its acquisition workforce by 25% by the end of FY2000

Army Contracting: ~7x the Actions, ~3x the Dollars, No Increase in Personnel

- Gulf War, 1990-1991
- Somalia, 1993
- Haiti, 1994
- Bosnia/Kosovo, 1995 - present
- Operation Iraqi Freedom, 2003 - Present
- 9/11 Terrorist Attacks, 2001
- Operation Enduring Freedom, 2001 - Present
- Current contracting personnel in field**

<table>
<thead>
<tr>
<th></th>
<th>Kuwait</th>
<th>Iraq</th>
<th>Afghanistan</th>
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<tbody>
<tr>
<td>Army Military COs</td>
<td>13</td>
<td>38</td>
<td>7</td>
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<tr>
<td>Army Civilian COs</td>
<td>17</td>
<td>3</td>
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</tbody>
</table>

**Does not include Corps of Engineers

Source: Contract Data – Federal Procurement Data System
AMC Contracting Trends

**Increased Dollars**
- Up 382% since ‘95

**Increased Actions**
- Up 359% since ‘95

**Decreased Workforce***
- Down 53% since ‘95

*Based on AMC data calls to Acquisition Support Centers:

FY95 Workforce: 3,905
FY06 Workforce: 2,070
Elimination of Army General Officers in Contracting Career Field

<table>
<thead>
<tr>
<th>Army General Officer Positions – Now Eliminated</th>
<th>Joint General/Flag Officer Positions – Now Eliminated</th>
<th>General/Flag Officer Positions (Joint) – Temporary</th>
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<tbody>
<tr>
<td>1 DCS for Procurement &amp; Production</td>
<td>1 Dir, DCMC</td>
<td>1 Cdr, JCC-I/A*</td>
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<tr>
<td>DCS for Procurement, AMC</td>
<td>MG</td>
<td>BG</td>
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<tr>
<td>Redesignated DCS for Acquisition, AMC</td>
<td>Redesignated May 92</td>
<td>Established after 2001—filled by Air Force</td>
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<td>MG</td>
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<td>2 DCS for Procurement, AMC</td>
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<td>3 Redesignated DCS for Procurement, AMC</td>
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<td>4 DCG, Procurement &amp; Readiness, MICOM</td>
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<td>5 DCG, Procurement &amp; Readiness, TACOM</td>
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<td>5 Dir, Office of Competitive Sourcing, OASA(RDA)</td>
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Source: Data provided October 1, 2007, to the Commission by Deputy Chief General Officer Management Office (GOMO)

*JCC-I/A is the Joint Contracting Command-Iraq/Afghanistan

**According to the Joint Duty Assignment Listing Annex, this is an O-7 billet. However, the incumbent is an O-8 (Maj Gen Scott, USAF)
Military Competence Essential to Expeditionary Contracting

- Army has not recognized importance
  - Military (279 Officer; 62 Enlisted); Civilian ~5,500 (GS-1102)
  - FY06 procurement actions: 398,748
  - Army active duty military (~3% of contracting workforce) begin contracting careers approximately 7 years after commissioning
  - No current Army General Officer billets
  - Army civil servant personnel policies outdated

- Air Force has/had
  - Military (940 Officer – active only; 1,196 Enlisted); Civilian ~4,800
  - FY06 procurement actions: 61,000
  - Air Force military (37% of contracting workforce) begin careers as 2nd Lieutenant
  - Potential promotions to General Officer positions
  - Air Force contracting squadrons linked directly to expeditionary wings
  - However, even in the Air Force, “the importance of career contracting personnel seems to have waned over the past years”

- Army “Executive Agent” for Iraq and Afghanistan, but Army unable to fill billets in either quantity or qualifications
  - Air Force Major General commanding JCC-I/A
  - 67% of the JCC-I/A contracting workforce staffed by Air Force; and Air Force handling most complex contracts
Major Procurement Frauds (as of 9/24/07)
Far More Than Just Contracting Officers

<table>
<thead>
<tr>
<th>Service</th>
<th>Percentage of Contracting Personnel in Iraq/Kuwait</th>
<th>Open Fraud Investigations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Air Force</td>
<td>70%</td>
<td>1</td>
</tr>
<tr>
<td>Army</td>
<td>28%</td>
<td>77</td>
</tr>
<tr>
<td>Navy</td>
<td>2%</td>
<td>0</td>
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<tr>
<td>Total</td>
<td>100%</td>
<td>78</td>
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<tr>
<th>Army Employees Involved</th>
<th>Activity</th>
<th>Reserve</th>
<th>National Guard</th>
<th>Retired</th>
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<tr>
<td>Contracting Officers</td>
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<tr>
<td>Contracting Officer Representatives</td>
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<td>Other</td>
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<td>Total</td>
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Source: Data provided September 21, 2007, to the Commission by U.S. Army Criminal Investigation Command, Major Procurement Fraud Unit, and subsequently updated on September 24, 2007.
Contracting Is More than Writing Contracts

**Requirement**

**Statement of Need**

**Source Selection**

**COR: Performance Monitoring**

**COR: Acceptance**

**Funding Certification**

**PCO: RFP; J&A**

**PCO: Contract**

**Delegated Authority**

**ACO: Post-Award Management**

**Performance/Deliveries**

**Payment**

**Invoice**

**Close-out**

**KEY**

ACO – Administrative Contracting Officer

PCO – Procuring Contracting Officer

COR – Contracting Officer’s Representative
Post-Award Contract Management

“In Iraq, contract management for non-LOGCAP was a ‘pick-up game.’ When done at all, it was a secondary function.” (Former Senior Army G.O.)

- Contract management is the essential post-award contracting function to ensure mission accomplishment, and it is an important control over fraud, waste, and abuse; it CANNOT be a “pick-up game” in the Army.
- There are 70+ FAR functions performed in the post-award phase.
- Certain acquisition professionals are key to post-award contract management:
  - Administrative Contracting Officer (ACO) – Primary interface to contractor
  - Quality Assurance Representative (QAR) – Evaluates contractor performance
  - Contracting Officer Representative (COR) – Augments the QAR; ideally subject-matter experts embedded with the mission
- CORs are not identified and trained prior to deployment; consequently, they are ill-prepared to execute their contract management duties, and even then it is an additional duty.
- With not enough ACOs, PCOs could do this – but they are too busy and therefore it is not being done.

To be continued...
Post-Award Contract Management (Continued)

• Contract administration functions may be retained by a contracting activity or delegated to the Defense Contract Management Agency (DCMA)
  – Contracting activities typically delegate weapons system, production-type contracts to DCMA, whose representatives are co-located in a contractor’s plant
  – Contracting activities do not normally delegate services or base, post, camp, and station-type contracts to DCMA; not considered its mission by DCMA (but allowable by regulation)

• DCMA is performing OCONUS contract administration for LOGCAP and a few other small, in-theater efforts

• DCMA is not currently positioned to perform all expeditionary contract administration functions and does not serve as center-of-excellence for expeditionary contract management
  – Inadequate resources (people and money)
  – Narrow CONUS mission does not include base, post, camp, and station or service contracts
  – No military leadership heading DCMA
DCMA Personnel Continue to Decrease

“IT IS CLEAR THAT DoD CURRENTLY LACKS THE MEANS TO PROVIDE PROPER OVERSIGHT OF ITS SERVICE CONTRACTS, IN PART BECAUSE OF AN INSUFFICIENT NUMBER OF CONTRACT OVERSIGHT PERSONNEL.”

(House Appropriations Committee, FY08)
Some Quotes From Commission Hearings

- “I am assigned to a field grade command with lieutenant qualifications.”
  (Army contracting field grade officer regarding his first acquisition assignment)

- “I can’t get certified Army personnel (civilian or military) to fill my needs.”
  (Air Force G.O. in Iraq)

- “Only 38% of those in contracting positions in-theater are certified for the positions they hold.”
  (Senior DoD official)

- “In-theater, we had lots of people in Washington telling us the rules, but little sense of urgency.”
  (Former Army Contracting Official)

- “We’re not training as we fight.”
  (Army G.O.)

- “In-theater, we could do no pricing and no contract close-outs.”
  (Former Army Contracting Officer)

- “We have a joint contracting command in name only [in I/A]; in reality, it isn’t a joint command in key ways.”
  (Army G.O.)

- “We need to have a section in every leadership course on contracting and contractors.”
  (Army G.O. back from Iraq)

- “Next time I go overseas, I don’t want it to be ad hoc.”
  (Army G.O.)

- “Contracting for expeditionary services requires far greater sophistication.”
  (Army SES)

- “If I would have known about the contracting issue in advance, I would have done something about it.”
  (Army Senior G.O.)

- “We have problems in both service and weapon systems contracting.”
  (Retired G.O.)
Institutional Issues

Institutional Army support to Iraq/Afghanistan/Kuwait inadequate

• Too much incremental funding
  – Causes unnecessary, “make work” contract modifications and inefficient operations
  – For example, in FY 06 LOGCAP had 141 incremental funding contract modifications
• No Expeditionary FAR (EFAR) defining allowable expedient actions, to be used in training and provided to field
• Contracting training not modified for need
  – Need more focused expeditionary contracting training, plus expeditionary contracting education
  – Rapid acquisition of materiel solutions, force sustainment, and reconstruction
• Contracting reach-back not responsive or effective
• Pricing personnel needed in theater and CONUS
• Contracting Officers Representatives (CORs) need to be identified, trained, and ready in the units prior to any deployment
• Combat commanders not trained in importance of requirements definition, contracting, and contractors in expeditionary operations
• Contract close-outs are not occurring because of shortage of trained personnel
• Little to no visibility of contractor assets or personnel in theater of operations
• Army civilian personnel system not oriented for expeditionary operations

“We are deploying civilians to the theater based on rules established 30 to 40 years ago.”

To be continued…
Institutional Issues (Continued)

- Requested improvements to align contracting with needs of Combatant Commander (June 2006 memorandum from Commanding General, Multi National Forces-Iraq (Gen. Casey))

- Very little progress

**Statutory relief**

1. Expand funding authority
2. Adjust GAO protest and CICA stay provisions
3. Automatically apply express option to GAO decisions for protests
4. Amend CICA to allow HCA to establish publication parameters
5. Automatically exempt from Berry Amendment and Balance of Payments
6. Exempt DoD civilians from tax when deployed in combat zones

**Regulatory initiative**

7. Develop contingency FAR

**Departmental initiatives**

8. Establish clear lines of authority for all government organizations
9. Create Standing Joint Contingency Acquisition Committee to develop policy
10. Provide automated contingency contract writing system
Iraq Is a Wake-Up Call; It Is the Army’s Acquisition/Contracting “Tipping Point”

Iraq has illuminated numerous major problems with expeditionary Army acquisition and contracting, including:

• Diffused responsibility in-theater (many “ad-hoc players”: AMC, ACA, LOGCAP, Kuwait, Corps of Engineers, SOCOM, JCC-I/A, DCMA, DLA, CENTAF, MARCENT, U.S. AID, Department of State, etc.) and in Pentagon

• Five years into Operation Iraqi Freedom (OIF), deficiencies persist:
  – Leadership
  – Organization
  – Resourcing: personnel, “color of money,” sense of urgency, cash flow, etc.
  – Career development, training, and education
  – Expeditionary (contingency, “sustainment”, etc.) doctrine, policy, requirements, and tools (database of Service statements of work, terms and conditions, standard contracts, pre-placed authorities, class waivers & deviations)
  – Rapid acquisition and fielding
  – Post-award contract management
  – In-theater integration of operational, logistics, and contractor forces/personnel

• Bottom line: Solution must address shortfalls across the Doctrine, Organization, Training, Materiel, Leader Development, Personnel, and Facilities (DOTMLPF) spectrum to improve expeditionary contracting
Fix the Cause, Not the Symptoms

- Future military operations will be expeditionary and joint (and, likely, multi-agency)
  - Desert Storm, Somalia, Balkans, Afghanistan, and Iraq situations all “unique,” and the next national security problem will be also different – **but it will definitely be expeditionary and heavily involve the need for contractor support**
  - Army and U.S. Government need organizations and talent poised to “hit the ground running”

- Institutional Army’s ability to support warfighter currently undermined by a systemic peacetime, CONUS culture and bureaucracy
  - Does not sufficiently value or recognize importance of contracting, contract management, and contractors in expeditionary operations
  - Is slow to respond and is not prepared to meet expeditionary needs
  - Is an unsynchronized activity among the many Army buying commands

- Adding more auditors is not the solution ("between SIGIR, AAA, and DCAA there are already more auditors in the field today than Government contract personnel")

- Name change to “generating force” has not resulted in an expeditionary approach to contracting
The Four Key Elements to Future Success

1. Increase stature, quantity, and career development of contracting personnel, military and civilian (especially for expeditionary operations)
2. Restructure organization and restore responsibility to facilitate contracting and contract management in expeditionary and CONUS operations
3. Provide training and tools for overall contracting activities in expeditionary operations
4. Obtain legislative, regulatory, and policy assistance to enable contracting effectiveness in expeditionary operations
Element 1: Contracting Personnel

Increase stature, quantity, and career development of contracting personnel, military and civilian (especially for expeditionary operations)

- Increase Army military (+400) and civilian (+1,000) contracting personnel (~25 percent of the total), plus Army personnel (+583) to fill DCMA billets for Army support
  - Civilian and military (GS-1102 and 51C) to decrease the ratio of contract actions to contracting personnel
    - General Officers, Officers, Warrant Officers, and Non-Commissioned Officers
    - Support for non-major weapon system acquisitions
    - Cost/price analysts

- Army-wide career development
  - A funded “cradle to grave” career plan for excellence
  - The management of both civilian and military contracting personnel should be the responsibility of one office
  - Create a Contracting Corps: officer and enlisted
    - Officer career track should start on entry, but assigned for 2+ years to a combat branch, then rotate in various contracting roles
    - Following initial entry tour, achieve DAWIA Level I certification in contracting through DAU (equivalent to an Advanced Course)
    - Enlisted assessed directly into the Corps

To be continued...
Element 1: Contracting Personnel  
(Continued)

- Establish Generals and Civilian SESs
  - Congress should authorize 10 additional General Officers for contracting positions (similar to what existed in 1990)
    - 5 for Army (fence the billets by providing them to the Service Secretary)
    - 5 Joint—including a 3-Star billet for DCMA
  - Maintain existing civilian SES contracting authorizations, plus 1 new deputy
  - Establish a separate Army Contracting Promotion Board for both military and civilian contract professionals (similar to Army Medical Board) to ensure the development of world-class contracting professionals, as well as leaders, and avoid “profile fodder”
- Establish “contract planning” positions (requirements definition)
  - Planning should be conducted by the operations and training (G3 or S3) staff at the corps, division, and brigade combat team level
- Conduct major review of all civil service policies applicable to those who may be expected to deploy to theater
Element 2: Organization and Responsibility: Current Army Contracting Organizations

Base Operations

- HQ Army Contracting Agency (ACA)
  - ACA Northern Region
  - ACA Southern Region
  - Information Technology E-Commerce & Commercial Contract Center
  - Contracting Center of Excellence
  - Army Contracting Command, Europe
  - Army Contracting Command, Southwest Asia
  - Army Contracting Agency Americas
  - Army Contracting Command, Korea
  - Army Contracting Element, Pacific

SECRETARY OF THE ARMY

- AAE/Assistant Secretary of the Army Acq, Log and Tech
- Deputy Assistant Secretary of the Army (Policy and Procurement)

Major Systems

- HQ Army Materiel Command (AMC)
- AMCOM LCMC
- ASC
- CECOM LCMC
- JM&L LCMC
- RDECOM
- SDDC
- TACOM LCMC

U.S. Army Corps of Engineers
- PARC ATL
- PARC DAL
- PARC WIN

- National Guard Bureau

- U.S. Army Intelligence & Security Command

- U.S. Army Space & Missile Defense Command

- U.S. Army Medical Command

- U.S. Army Medical Research & Materiel Command

- U.S. Army PEO STRI

JCC-I/A

Other

Program Manager Saudi Arabian National Guard

LCMC – Life Cycle Management Command

To be continued...
Element 2: Organization and Responsibility (Continued)

Organizational/Institutional Change

• Need a single “Army Contracting Command” responsible for making “contracting” (in its broadest sense) an “Army, high-quality, core-competence”

This will take time, but it is essential to address the acquisition problems of recent years – both in expeditionary operations as well as in Army-wide contracting and weapons buying.

To be continued...
Element 2: Organization and Responsibility: Proposed Army Contracting Organizations

SECRETARY OF THE ARMY

Assistant Secretary Army (ALT) / Army Acquisition Executive

MILDEP & DIR AAC

PEO

Chief of Staff, Army

Army Materiel Command

Surgeon General

Other*

Corps of Engineers

Deputy Contracting & Director Contracting Corps

2 Star

Army Contracting Command (ACC)

2 Star

Installation Contracting CONUS & OCONUS

1 Star

Expeditionary Contracting

1 Star

Contracting Directorates

Contracting Support Brigades

*For example:
- National Guard Bureau
- US Army Intelligence & Security Command
- US Army Space & Missile Defense Cmd
- US Army PEO STRI

DIRECTIVE authority from ACC

Contracting authority

Move of existing SES position

New

Surge capability

To be continued…
Element 2: Organization and Responsibility (Continued)

Why a 2-Star Army Contracting Command:

• Currently, multiple commands have responsibility for contracting
  – None of these commands have responsibility to synchronize all aspects of contracting below the Army Secretariat level
  – Commanders and contractors have to deal with multiple HCAs/PARCs on policy interpretation issues for both service and weapons contracting issues

• The Army Contracting Command:
  – The command would act as the Center of Excellence for contracting by being responsible to the Chief of Staff, Army (CSA) for Army-wide policy implementation
  – The Commander would--
    • Be responsible for providing a trained, ready, and relevant expeditionary contracting capability
    • Have Directive Authority over all Army Contracting Capabilities with respect to Civilian Education, Training, and Mobility agreements. The Secretary of the Army and CSA can go to one command for status and readiness of the contracting workforce

To be continued...
Leadership requirements:

- MG-led AMC Contracting Command, with SES deputy, including:
  - BG-led, rapidly-deployable, expeditionary contracting organization
    - Will include the Contracting Support Brigades, including an audit presence
  - BG-led installation contracting organization, with SES deputy, (CONUS and OCONUS installations)
- MG Director of the Army Contracting Corps reporting to the ASA(AL&T) responsible/accountable for policy, competition advocacy, personnel, training, and readiness of the contracting force Army-wide
  - Military and Civilian
  - Contracting personnel assigned to commands but centrally managed
- Create BG Chief for Contracting, COE
- Create 5 Joint General Officer Billets (JCCs*/JFCOM/DCMA)

*JCCs=Joint Contracting Commands for each expeditionary operation
Element 2: Organization and Responsibility (Continued)

- Establish Defense Contract Management Agency (DCMA) as center-of-excellence for expeditionary contract management
- Assign DCMA responsibility for all contract management for
  - Expeditionary contract management
  - Base, camp, and station contract management
- Establish Director as 3-Star billet (all Services eligible)
- Adequately resourced (people and money) for this expanded role, and have the required training
  - Increase DCMA billets by 583 (for Army support)
- Note--If DCMA does not fulfill the contract management responsibility worldwide, this requirement will not go away; it must be established and resourced by the Services
Element 3: Training and Tools

Provide training and tools for overall contracting activities in expeditionary operations so we do not repeat mistakes of Operation Iraqi Freedom/Operation Enduring Freedom

- Teach role and importance of contractors in expeditionary operations in--
  - Officer Advanced Course, Command & General Staff College; War College; Sergeant Majors Academy; etc.
  - Courses for warrant officers and NCOs*; and
  - 3-5 day course for newly selected BGs

- Require contracting events in all combat exercises

- Section in all Army leadership courses
  - Army Field Manual FM 3-100-21, “Contractors on the Battlefield” (section 2-47 and 2-48) contains “Training with Contractors” guidance, but it has not been implemented

- Support “communities of practice” (e.g., contracting blog)

- “Expeditionary readiness report” including operational contracting preparedness, with reporting down to (at least) the brigade combat team level

- Incorporate expeditionary contracting lessons learned
  - School houses and courses
  - Center for Army Lessons Learned (CALL)

*Logistics company grade and warrant officers training has started; SOCOM also has an integrated contingency contracting approach
Element 4: Legislative, Regulatory, and Policy

Obtain legislative, regulatory, and policy assistance to enable contracting effectiveness in expeditionary operations

- Legislative assistance
  - Increase in General Officer billets for Contracting and Joint Contracting
    - “Fencing” for contracting officers
    - Service back-fill authorizations for joint positions
  - Increase Army contracting personnel authorizations by 1,983:
    - Army military by 400 and civilian by 1,000
    - DCMA military and civilian billets by 583 (for Army support)
  - Added benefits for volunteer civilian personnel serving in a combat zone (e.g., tax waiver, life insurance, long-term medical coverage, pay cap removal)

To be continued…
Element 4: Legislative, Regulatory, and Policy Assistance (Continued)

- Legislative assistance (continued)
  - “Standby” flexibility in funding (an adequately resourced “Overseas Contingency Operations Transfer Fund”) and in “local buying” waivers – for future expeditionary operations (similar to U.S. AID flexibility)
    - Defense transfer fund without “color of money” or fiscal year limitations
    - Provide Congress with insight via reporting on expenditures and savings
    - Based on Balkans “Overseas Contingency Operations Transfer Fund” (approved by Congress)
  - Waiver of small business and U.S. labor statutory provisions, Buy American, Berry Amendment, Specialty Metals, etc. to allow rapid, local buying if required in expeditionary operations

- Regulatory assistance - Expeditionary Contracting Manual

- Policy assistance
  - Need comptroller authorities at all levels (OMB, OSD, Army, and command) to allocate and apportion money intelligently
    - Do not unnecessarily burden the contracting officers in the combat arena
    - Longer periods of apportionment needed for expeditionary situations
      - Currently quarterly apportionments
      - Not long ago, monthly (or less) apportionments
Recommended Model: Joint

- Need a uniformed, rapidly-deployable expeditionary contracting force and standing JCC (with pre-volunteered civilian support)
- Each COCOM should have trained Contracting Officer’s Representatives, pre-planned and approved (also, a representative of the audit/IG community)
- Train as we fight: JFCOM and Army training exercises must stress rapid acquisition, logistics, and contracting in expeditionary operations
- Expeditionary Contracting Manual; and tactics, techniques, and procedures (TTPs) needed, with training
- Focus DAU to train and educate the civilian and military acquisition, logistics, and contracting workforce as needed for expeditionary operations (as well as weapons systems contracting)
- One executive at OSD responsible and accountable for DoD contracting policy, education, training, and readiness (reporting directly to USD(AT&L))

Also need to address multi-agency issues: AFRICOM may be a way to start to do it
Reminder: The Four Key Elements to Future Success

1. Increase stature, quantity, and career development of contracting personnel, military and civilian (especially for expeditionary operations)
2. Restructure organization and restore responsibility to facilitate contracting and contract management in expeditionary and CONUS operations
3. Provide training and tools for overall contracting activities in expeditionary operations
4. Obtain legislative, regulatory, and policy assistance to enable contracting effectiveness in expeditionary operations
A Plea from the War Zone

“There are things Commanders in the field see as problems that people in DC don’t think are problems – we should listen to the Commanders.

This problem is pervasive DoD-wide, because workload continues to go up while contracting and acquisition assets go down – there is a cost to these trends that is paid in risk, and we don’t realize how big the bill is until there’s a scandal.

The civilian personnel system does not serve an expeditionary force well – the system needs to provide superior short-term and career incentives to civilians who stay close to the combat mission.

Until you put Generals back in charge of contracting, the career field will continue to get no respect or resources.”

(G.O., speaking of his experience of contracting in Iraq)
Summary

• Too often it takes a crisis to bring about major change – the Iraq/Kuwait/Afghanistan contracting problems have created a crisis!

• Maintaining this essential focus on contracting excellence will only be more difficult as budget supplementals decrease

• Changes are clearly required in the area of Army contracting – especially for the expected future expeditionary operations

• These changes are essential to make the Institutional Army the Generating Force in both name and capability for contracting

• It is up to Army Military and Secretariat leadership to bring about the needed changes

The time to act is now! High-quality contracting must be an Army core competence

• A “special task force for implementation,” chartered by the Secretary of the Army, must be tasked to plan for, and achieve, the needed transformation