Department of Defense

Analysis of the Interim Report of the Commission on Wartime Contracting in Iraq and Afghanistan

November 4, 2009

Presented to the

Under Secretary of Defense for

Acquisition, Technology & Logistics USD(AT&L)

Department of Defense

Analysis of the Interim Report
of the Commission on Wartime Contracting
in Iraq and Afghanistan

Executive Summary

Why We Conducted This Analysis

The Commission on Wartime Contracting in Iraq and Afghanistan (COWC), which Congress established pursuant to Fiscal Year 2008 National Defense Authorization Act Section 841, issued an interim report on June 10, 2009, identifying eight "Issues of Immediate Concern."

Figure ES-1. COWC Identified Eight Issues of Immediate Concern

Commission on Wartime Contracting in Iraq and Afghanistan: 8 Issues of Immediate Concern
(from Interim Report, Executive Summary, Page 5)

Concern 1. Iraq Drawdown

Concern 2. Contracting Officer's Representative (COR) Resourcing and Training

Concern 3. Competition – LOGCAP III Transition

Concern 4. Inadequate Contractor Business Systems

Concern 5. Subcontractor Accountability – LOGCAP

Concern 6. Afghanistan Buildup

Concern 7. Afghanistan Contracting Command

Concern 8. Training and Equipping Private Security Contractors (PSCs)

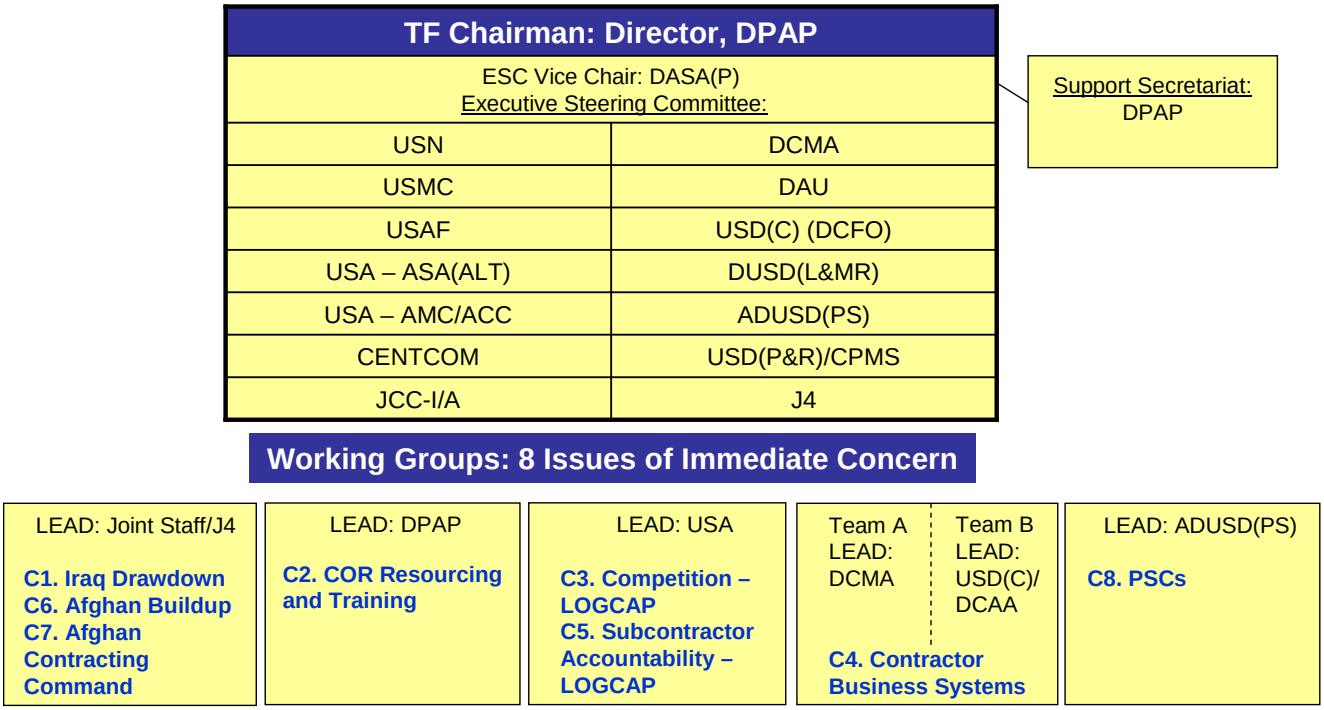
On July 26, 2009, the Under Secretary of Defense for Acquisition, Technology and Logistics, USD(AT&L), directed the creation of a Department of Defense (DoD) Task Force on Wartime Contracting (TFWC) to evaluate the interim report, focusing on the report's issues of immediate concern.

This document presents the results of TFWC's work: Section I contains background information and describes the Department's related accomplishments, Section II addresses the COWC report's eight issues of immediate concern, and Section III addresses ancillary issues raised in the COWC report. The appendixes contain additional material.

Who Conducted This Analysis

The DoD TFWC comprises multiple stakeholders who analyzed the COWC eight issues of immediate concern.

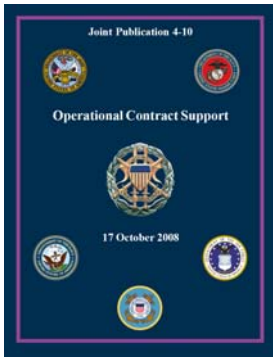
Figure ES-2. DoD Engaged Multiple Stakeholders in Analyzing the COWC Interim Report



The Director, Defense Procurement and Acquisition Policy, is the Chairman of the TFWC. The Deputy Assistant Secretary of the Army (Procurement) is the Vice Chairman. TFWC members include senior-level representatives from USD(AT&L), USD (Comptroller), USD (Personnel and Readiness), the Military Departments, the Defense Agencies, and the Joint Staff.

What the Department Has Accomplished

The importance of contingency contracting has risen sharply since September 11, 2001. Lessons learned from contingency operations have illuminated the need for innovative policy, guidance, and oversight to facilitate effective and efficient contracting support. To execute this vital mission, the Department has dedicated considerable effort to improving contracting in expeditionary operations. The Department's commitment is evident by its many recent accomplishments, such as the following:

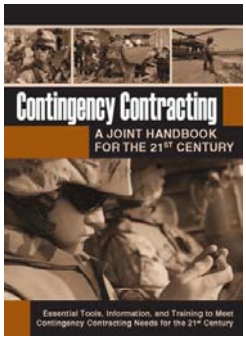


- Clear guidance, set forth in doctrine, instructions, regulations, and policy, provides consistent ground rules for both the operational and support communities. Doctrine appears in Joint Publication 4-10, "Operational Contract Support" (October 2008), and implements the policies contained in DoD Instruction 3020.41, "Contractor Personnel Authorized to Accompany the U.S. Armed Forces" (October 2005). A key policy—theater business clearance—establishes uniform procedures to ensure contracts contain the appropriate terms

and conditions for work to be performed in Iraq and Afghanistan.

- Organizational approaches that work for the warfighter. The Department has established two primary points of contact for theater support needs. The Director, Defense Procurement and Acquisition Policy has a dedicated team of contingency contracting professionals to support the deployed procurement professionals. The Assistant Deputy Under Secretary of Defense (Program Support) supports the program management community engaged in operational contract support. At the Service level, the Army, which is the lead agent in Iraq and Afghanistan, has consolidated all its theater support contracting mission under the Army Materiel Command, with its subordinate command—the Expeditionary Contracting Command—tasked with primary execution.

- An extensive array of tools and electronic solutions—both implemented and in development—to optimize the acquisition process for operational contract support of the warfighter. The Joint Contingency Contracting Handbook is an existing tool that is regularly updated. Those with recent and relevant deployment experience developed and subsequently updated the handbook, which includes task checklists, training (including games and scenarios), templates, and resources (links to relevant publications, regulations, policy memorandums, and guides; links to research sites; examples of statements of work). The second edition of the handbook includes website availability for immediate access. DoD can update the website in real-time with any new procedures and guidance. The handbook is used as the foundation for the Defense Acquisition University (DAU) course (CON 234, Contingency Contracting) for contingency contracting officers (CCOs) to further enhance its usage in expeditionary operations, so CCOs train as they fight. The handbook is also the winner of the first AT&L Workforce Achievement Award for Acquisition in an Expeditionary Environment.



- A robust set of training materials—including formal classroom courses, continuous learning modules, and handbooks—to prepare contracting, as well as non-contracting, personnel to manage contract support in contingency operations. DAU alone has seven offerings, primarily geared toward the acquisition profession. The Army has 10 training courses and leader education instructions for non-acquisition soldiers, which the Army provides before deployment. In addition, the Marine Corps has completely restructured and updated its approach to training in support of contingency operations. The Marine Corps accelerated bringing officers into the contracting career field by starting them immediately following their first Marine Expeditionary Force tour. On completion of training, officers are assigned to a Regional Contracting Center to gain experience, making them eligible for follow-on deployments.

Together, these accomplishments—as well as many others mentioned throughout our report—and our commitment to continuous improvement, help the Department improve its support of

overseas contingency operations, oversight, and governance and thus promote the effective management of acquisitions in support of contingency operations.

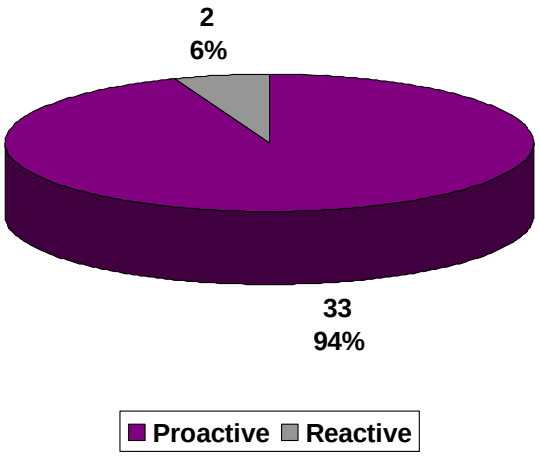
The Department has undertaken many key initiatives to enhance Operational Contract Support, predating the COWC interim report. (See Appendix B for more detail)

What Our Analysis Demonstrates

The COWC stated, "Some issues of immediate concern require prompt action." As matter of course, the Department is dedicated to its fiduciary responsibility as we execute our warfighting mission. DoD has a robust set of internal controls that we use in executing this responsibility. The Department engages multiple stakeholders in analyzing risks, developing solutions, and mitigating risks. Some solutions take time to implement.

The COWC interim report contains 55 observations; approximately two-thirds (35) relate directly to the eight issues of immediate concern. The remaining one-third (20) are ancillary (do not directly correlate to an issue of immediate concern). Of the 35 observations, the Department already had significant initiatives underway addressing 94 percent of those observations (the Task Force has identified these as "proactive").

Figure ES-3. The Department Has Been Proactive in its Pursuit of Initiatives

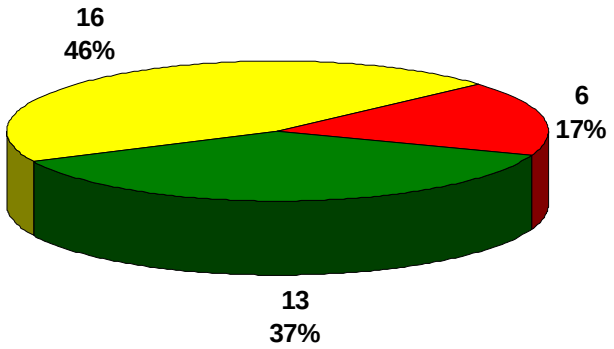


Impetus	Number of observations	Percentage
Proactive (Begun Prior to COWC Interim Report)	33	94%
Reactive (Begun After COWC Interim Report)	2	6%
Total	35	100%

The Office of the Secretary of Defense (OSD) undertook the facilitation of the remaining initiatives (6 percent) following the COWC interim report publication (the Task Force has identified these as "reactive"). However, even where the Task Force identified an initiative as reactive, the Services or Components generally already had begun individual initiatives to resolve challenges. After validating COWC's observations, the Task Force determined the proper solution set for further implementation.

The Department is making significant forward progress on these initiatives; 83 percent of the Department's initiatives are free from major challenges. However, we have encountered some barriers, primarily in the area of resourcing of personnel for contingency contracting officer's representatives (CORs), subject matter experts and in DCAA. The Task Force is focusing on improving progress in these areas, and we will continue to work with senior leaders to address the major challenges.

Figure ES-4. Eighty-Three Percent of the Department's Initiatives Are Free from Major Challenges



On Track Challenges Major Challenges

	Progress	Number of observations	Percentage	
Traction	Green (On Track)	13	37%	83%
	Yellow (Challenges)	16	46%	
	Red (Major Challenges)	6	17%	
	Total	35	100%	

The scorecard in Table ES-1 presents an overview of the Task Force's analysis of these 35 COWC observations, which directly tie to the COWC issues of immediate concern. The scorecard information is grouped by DoD progress, and then presented in the order in which the COWC observation appears in the COWC interim report. The related COWC issues of immediate concern also appear in the scorecard. Section II of the report provides detailed information on each of the scorecard elements, plus DoD good news stories, challenges, and major initiatives.

Table ES-1. Scorecard

COWC Issue of Immediate Concern	COWC Observation	TFWC Team Lead	DoD Impetus	DoD Progress
4	Business systems audits are not conducted in a timely manner. (Observation 16, COWC report page 28)	DCAA	✚	On Track
4	Contract audit functions require additional emphasis. (Observation 18, COWC report page 29)	DCAA	✚	On Track
3	GAO has identified savings obtainable through greater LOGCAP efficiency. (Observation 26, COWC report page 47)	USA	✚	On Track
3	DCAA has identified unnecessarily high spending. (Observation 27, COWC report page 48)	USA	✚	On Track
1	Lessons learned in closing and transitioning bases in Iraq indicate needs for: (1) comprehensive transition guidance, (2) a way to synchronize requirements, (3) a better mechanism to terminate contracts for providing support on the base, and (4) synchronization of operations and logistical support. (Observation 29, COWC report page 50)	J-4	✚	On Track
1	Work in the pipeline may be unnecessary. (Observation 30, COWC report page 51)	J-4	✚	On Track
1	Disposition of property will require a number of decisions. (Observation 31, COWC report page 55)	J-4	✚	On Track
8	Private security contractor incidents initiated reform. (Observation 35, COWC report page 63)	ADUSD(PS)	✚	On Track
8	Legislative remedies are improving security contract management. (Observation 36, COWC report page 64)	ADUSD(PS)	✚	On Track
8	There has been a significant decline in incidents involving the use of force by State Department private security contractors since 2007. (Observation 37, COWC report page 66)	ADUSD(PS)	✚	On Track
8	The government must ensure that security contractor source selection under multiple-award IDIQ contracts is truly based on best-value analysis. (Observation 38, COWC report page 67)	ADUSD(PS)	✚	On Track
8	Legal accountability for security contractors remains unresolved in Iraq. (Observation 39, COWC report page 68)	ADUSD(PS)	✚	On Track
8	Inconsistent rules of engagement and use of force impact security posture. (Observation 42, COWC report page 72)	ADUSD(PS)	✚	On Track
2	The contingency contracting workforce remains understaffed. (Observation 1, COWC report page 8)	DPAP	✚	Challenges
2	Training for military CORs is often inadequate. (Observation 4, COWC report page 11)	DPAP	✚	Challenges
2	Data systems are inadequate to measure contingency contracting activity. (Observation 6, COWC report page 14)	DPAP	✚	Challenges
6	Contingency contracting lessons learned are not shared effectively. (Observation 8, COWC report page 17)	J-4	✚	Challenges
4	Ineffective contractor business systems increase the likelihood of waste. (Observation 15, COWC report page 27)	DCMA	✚	Challenges
4	Contracting officials make ineffective use of contract withhold provisions. (Observation 19, COWC report page 31)	DCMA	✚	Challenges
5	Subcontractor cost-control management is ineffective. (Observation 21, COWC report page 34)	USA	✚	Challenges
3	Both LOGCAP program management and contracting offices have been chronically understaffed. (Observation 22, COWC report page 41)	USA	✚	Challenges
2	Other oversight staffing shortages also exist. (Observation 25, COWC report page 44)	DPAP	✚	Challenges
3	Regular efficiency reviews are needed. (Observation 28, COWC report page 49)	USA	✚	Challenges

Table ES-1. Scorecard

COWC Issue of Immediate Concern	COWC Observation	TFWC Team Lead	DoD Impetus	DoD Progress
6	Far-flung bases and rotating units exacerbate the property management problem in Afghanistan. (Observation 34, COWC report page 58)	J-4	✚	**Challenges**
2	Subject-matter-expert support is insufficient to oversee static security services. (Observation 40, COWC report page 70)	DPAP	✚	**Challenges**
2	Ineffective contractor oversight risks contract noncompliance. (Observation 41, COWC report page 71)	DPAP	✚	**Challenges**
3	The time from requirement identification to notice to proceed is too long. (Observation 33, COWC report page 58)	USA	✚	**Challenges**
8	Management of the Armed Contractor Oversight Directorate in Afghanistan poses potential conflict of interest. (Observation 43, COWC report page 73)	ADUSD(PS)	✚	**Challenges**
8	Oversight of contractor weapons possession requires enhancement. (Observation 44, COWC report page 74)	ADUSD(PS)	✚	**Challenges**
2	There are often inadequate numbers of qualified CORs assigned to contractor oversight in Iraq and Afghanistan. (Observation 2, COWC report page 9)	DPAP	✓	**Major Challenges**
2	COR appointments are not increasing with the requirements. (Observation 3, COWC report page 10)	DPAP	✓	**Major Challenges**
4	Lack of resources within DCAA is a significant factor contributing to ineffective audit coverage. (Observation 5, COWC report page 13)	DCAA	✚	**Major Challenges**
2	Lack of CORs is particularly acute for LOGCAP. (Observation 23, COWC report page 42)	DPAP	✚	**Major Challenges**
2	More logistics subject-matter experts are needed. (Observation 24, COWC report page 43)	DPAP	✚	**Major Challenges**
2	Understaffing severely impedes efficient and effective execution of the logistics mission. (Observation 32, COWC report page 57)	DPAP	✚	**Major Challenges**
Total				
8 Issues	35 Observations	8 Teams	33 Proactive 2 Reactive	29 Traction 6 Major Challenges

Key:

Why We Are Engaged	
✚	**Proactive/**Independent: DoD self-initiated activity (independent of COWC report)
–	**Inactive**: DoD not engaged in an initiative
✓	**Reactive/**Dependent: DoD initiative begun in response to COWC report

How We Are Progressing	
	On track: DoD making good progress
	Challenges: DoD making progress but facing challenges
	Major challenges: DoD not gaining sufficient traction

Notes: ADUSD(PS) = Assistant Deputy Under Secretary of Defense (Program Support), DCAA = Defense Contract Audit Agency, DCMA = Defense Contract Management Agency, GAO = Government Accountability Office, IDIQ = indefinite delivery/indefinite quantity, J-4 = Joint Staff Logistics Directorate, LOGCAP = Logistics Civil Augmentation Program, and USA = U.S. Army.

What We Recommend for the Way Ahead

The Department's principal action office for each initiative must remain focused on improving support to overseas contingency operations. At the same time, it is imperative to maintain a strong focus on the initiatives experiencing major challenges. The identified major challenges are tied to two different issues of immediate concern, but all have to do with resourcing:

- Issue of Immediate Concern #2, Shortage of Contract Management Personnel in Theater and Training. Initiatives related to this issue face the most major challenges. The Director, DPAP is responsible for working these challenges.

- Issue of Immediate Concern #4, Inadequate Contractor Business Systems. A new subcommittee of the Panel on Contracting Integrity is actively working issues related to contractor business systems. The one major challenge in this area relates to a lack of resources for DCAA. The agency's director is responsible for working this major challenge.

As indicated above, we have assigned responsibility for initiatives experiencing a major challenge to a senior leader in the Department. As shown in Section II of this report, these senior leaders have developed a plan of action and milestones for removing the roadblocks. Going forward, the assigned leaders for each such initiative will provide the TFWC and the USD(AT&L) with quarterly status updates, until the major challenges are removed.

The Department appreciates this opportunity to highlight the good work underway to support overseas contingency operations. We are committed to continual improvement and service to our ultimate customer—the warfighter.

Shay D. Assad
Chairman, Task Force on Wartime Contracting in Iraq and Afghanistan
and Director, Defense Procurement and Acquisition Policy

Edward Harrington
Co-Chairman, Task Force on Wartime Contracting in Iraq and Afghanistan
and Deputy Assistant Secretary of the Army for Procurement

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Section I. Report of the Task Force on Wartime Contracting in Iraq and Afghanistan

A. Reporting Requirement

This report responds to the requirements of the July 26, 2009, Under Secretary of Defense for Acquisition, Technology and Logistics, USD(AT&L), memorandum directing the creation of a Department of Defense (DoD) Task Force on Wartime Contracting (TFWC). The USD(AT&L) memorandum, enclosed in Appendix A, directs the TFWC to evaluate the interim report of the Commission on Wartime Contracting in Iraq and Afghanistan (COWC), with a particular focus on the report's "Issues of Immediate Concern."

The COWC was established pursuant to Fiscal Year 2008 National Defense Authorization Act (NDAA) Section 841, as an independent, bipartisan organization with a 2-year mission to examine wartime contracting for logistics, reconstruction, and security.[1] Congress charged COWC with issuing an interim and a final report. COWC described its June 10, 2009, interim report as "a snapshot of a work in progress" and emphasized that "some issues of immediate concern require prompt action." Those eight issues are as follows:

1. The drawdown of U.S. forces in Iraq risks incurring enormous waste that could range from completion of work that may not need to be done to poorly controlled handling and disposition of U.S. government property.

2. There is a critical shortage of qualified contract-management personnel in theater and those in place are stretched too thin. In particular, the process for designating and training contracting officer's representatives (CORs) to check contractor performance in theater is broken.

3. The government is not receiving the full benefits of competition because of the slow pace of the transition from the Logistics Civil Augmentation Program (LOGCAP) III to the more competitive LOGCAP IV logistics support contract.

4. Too many contractor business systems are inadequate and require correction.

5. There is a need for greater accountability in the use of subcontractors. Subcontracts account for about 70 percent of the work on LOGCAP, but government has very little visibility into their operations.

6. The effectiveness of contractor support of expanded U.S. operations in Afghanistan is compromised by the failure to extract and apply lessons learned from Iraq, particularly those about poor coordination among agencies.

[1] The current House- and Senate-approved FY 2010 Authorization language expands the COWC 2-year mission to a 3-year mission.

7. The DoD should accelerate its plans to establish a contracting command in Afghanistan. The troop surge in Afghanistan demands that contracting oversight be conducted in country rather than from Iraq, as is currently the case.

8. The Department of Defense should take immediate steps to ensure that contractors providing security for our operating bases provide employees who are well trained and equipped and capable of delivering strong force protection to our military.

B. Multi-Agency Engagement in Contingency Contracting

Contingency contracting encompasses all contracting performed in a contingent environment, including wartime, stability operations, natural disasters, and other calamitous events. Multiple government agencies cooperate in supporting contingency contracting efforts, such as contingency operations in Iraq and Afghanistan, Thailand (tsunami), Louisiana (Hurricane Katrina), and California (forest fires).

Congress directed COWC to examine three specific agencies: DoD, Department of State (DoS), and U.S. Agency for International Development (USAID).[2] Below are some of the significant initiatives the Department has undertaken to improve interagency interface with DoS and USAID in support of Iraq and Afghanistan:

- *Memorandum of understanding (MOU) between DoD, DoS, and USAID.* In accordance with 2008 NDAA Sections 861 and 862, we have established an MOU among DoD, DoS, and USAID. It covers all contracts being executed in Iraq and Afghanistan. In addition, we have established a comprehensive online database—Synchronized Predeployment and Operational Tracker (SPOT)—of contractor personnel data.

- *Operational contract support (OCS), provided by DoD for DoS and USAID.*

    - Provincial Reconstruction Teams (PRTs). DoD executes contracts in support of Commander's Emergency Response Program (CERP) projects, as part of the collaborative PRTs, which comprise DoD (Multi-National Corps–Iraq), DoS, and USAID representatives. DoD executed about $150 million in CERP projects for PRTs last year.

    - Iraqi Transition Assistance Office (ITAO). DoD provides considerable contracting support, for both reconstruction and various services, to the ITAO—a DoS organization.

In addition, DPAP hosted an interagency contingency contracting conference in May 2009. The conference served to further familiarize members of the contingency contracting community

[2] The COWC interim report focused on DoD; the Commission has indicated that it did so because the majority of contracting dollars have been executed DoD's purview. Simultaneously, COWC indicated that, as responsibility shifts from DoD to DoS during reconstruction efforts, the Commission's focus could shift.

with individual agency roles, missions, processes, procedures, capabilities, and constraints in response to catastrophic disaster contracting support.

C. Multi-Stakeholder Engagement in Contingency Contracting

In addition to involving multiple government agencies, contingency contracting requires the engagement of various stakeholders in the acquisition process, particularly the requirements and contracting communities. The operational organizations must be able to articulate needs/requirements clearly. Requiring organizations must also be able to provide "eyes on target," who understand the technical requirements the contractor must meet, to oversee delivery of contractually supplied materials and services and advise the contracting officer on the quality of contractor performance.

The DoD supports contingency contracting through multiple organizations representing these stakeholders. Many organizations have a group or cell dedicated exclusively to the contingency contracting and contractor management mission. DoD stakeholders provide a close-knit community of interest that works in tandem to address the warfighter's business support needs. Appendix B identifies several of the stakeholders and describes their key initiatives to support overseas contingency operations. Some primary initiatives the Department is working in the areas of policy, organization, tools, and training are outlined below.

1. Department of Defense Contingency Initiatives: Policy

The stakeholders in the acquisition process are guided by Departmental policy publications in the form of doctrine, directives, instructions, regulations, and memorandums. Key policy documents for contingency business operations are outlined below.

a. Operational Doctrine and Program Management Policy

All our Services currently utilize contractors to provide essential services in Iraq and Afghanistan; tackling future threats also is likely to involve high numbers of contractors. Thus, both operational (warfighter) and institutional (warfighter support) military personnel require information on the role of contractors in achieving military objectives. Doctrine is the means of communicating with military operators, while policy directives and instructions speak to the institutional community.

The following are primary OCS publications for these communities:

- DoD Directive (DoDD) 3020.49, "Orchestrating, Synchronizing, and Integrating Program Management of Contingency Acquisition Planning and Its Operational Execution" (March 24, 2009). This directive establishes policy and assigns responsibilities for program management for the preparation and execution of acquisitions for contingency operations.

- DoD Instruction (DoDI) 3020.41, "Contractor Personnel Authorized to Accompany the U.S. Armed Forces" (October 2005). This instruction provides an authoritative and

comprehensive road map of policy and procedures applicable to contractor personnel authorized to accompany the U.S. Armed Forces.

- DoDI 3020.50, "PSCs Operating in Contingency Operations" (July 22, 2009). This instruction addresses the selection, accountability, training, equipping, and conduct of personnel performing private security functions under a covered contract during contingency operations.

- Joint Publication 4-10, "Operational Contract Support" (October 17, 2008). The doctrine in this publication implements the policies in DoDI 3020.41.

- Deputy Secretary of Defense (DSD) Memorandum, "Establishment of a '911' Response Capability" (September 10, 2008). This memorandum provides guidance on the responsibility to respond to reports that contractor and civilian employees have allegedly committed crimes or have been reported to be the victims of crimes.

b. Procurement Policy

The procurement policy requirements for contingency contracting appear in regulations and memorandums. The Federal Acquisition Regulation (FAR) Part 18 and the Defense FAR Supplement (DFARS) Part 218, "Emergency Acquisitions," provide the overriding regulatory guidance for contingency contracting. FAR Subpart 25.4 and DFARS Subpart 225.4, "Trade Agreements," also apply.

The following are recent procurement policy issuances, which demonstrate the commitment of senior Department leaders to contingency contracting:

- DSD Memorandum, "Contingency Contracting Capability/Contracting Officer Representatives (COR) Total Force Assessment and Implementation Plan" (February 19, 2009). This memorandum requires each Military Department, National Guard Bureau, and Defense Agency to develop a detailed analysis regarding manpower requirements for a total contingency contracting mission capability. It states that these organizations must plan and program to have the force structure capable of supporting the current effort and future contingency operations, including contract administration and CORs.

- DSD Memorandum, "Monitoring Contract Performance in Contracts for Services" (August 22, 2008). This memorandum mandates that requiring activities comply with guidance to ensure that properly trained and ready CORs are assigned prior to contract award.

- Deputy Under Secretary of Defense for Acquisition & Technology, DUSD(A&T), Memorandum, "Theater Business Clearance/Contract Administration Delegation Compliance" (September 15, 2009). This memorandum emphasizes the importance of complying with the established Theater Business Clearance (TBC) process and the associated contract administration delegation process.

- Director, Defense Procurement Acquisition Policy (DPAP) Memorandum, "Use of Wide Area Workflow for Purchase Card Transactions" (September 2, 2009). This memorandum explains upcoming changes to wide area workflow to enable creation of receiving reports for purchase card actions, which will in turn enable tracking of property acquired with the card.

- Director, DPAP Memorandum, "Class Deviation to the DFARS for Continuation of Essential Contractor Services" (August 27, 2009). This memorandum ensures continuity of DoD contractor services during crises, including services provided to Foreign Military Sales customers.

- Director, DPAP Memorandum, "Class Deviation from FAR 32.9, Prompt Payment for Emergencies and Contingencies" (August 19, 2009). This memorandum allows all DoD contracting agencies to deviate from the requirements of FAR 32.9, "Prompt Payment," in defined emergency or contingency situations.

- Director, DPAP Memorandum, "Class Deviation to DFARS to implement D&Fs Regarding Foreign Participation in DoD Acquisitions in Support of Operations in Afghanistan" (July 15, 2009). This memorandum allows acquisition from the nine South Caucasus/Central and South Asian states.

- Director, DPAP Memorandum, "Class Deviation–Authority to Make Determinations with Regard to Acquisition of Products and Services, Other than Small Arms, Produced in Iraq and Afghanistan" (February 12, 2009). This memorandum delegates authority to the Commander, Joint Contracting Command–Iraq/Afghanistan (JCC-I/A), without power of redelegation.

- Director, DPAP Memorandum, "Class Deviation–Contract Actions Supporting Contingency Operations or Facilitating Defense Against Recovery from Nuclear, Biological, Chemical or Radiological Attack" (September 3, 2008). This memorandum permits contracting activities to make determinations that otherwise would need to be made by the head of the agency, for contract actions that support contingency operations or facilitate defense against or recovery from nuclear, biological, chemical, or radiological attack.

- Director, DPAP Memorandum, "Retroactive Iraq/Afghanistan Contract Compliance and Assignment of Contract Administration" (December 20, 2007). This memorandum directs DoD acquisition agencies to review existing contracts to ensure they comply with U.S. Central Command and Multi-National Forces-Iraq policies and directives. Following the review, the contracts are to be submitted for Theater Business Clearance. Also, the memorandum provides instructions for contract administration assignment to the JCC-I/A.

- Director, DPAP Memorandum, "Iraq/Afghanistan Theater Business Clearance" (November 26, 2007). This memorandum requires Theater Business Clearance for contracts with performance in, or delivery to, Iraq and Afghanistan, to ensure the necessary terms and conditions comply with the in-country commanders' plans.

- Director, DPAP Memorandum, "Amplifying Guidance Regarding Procedures for Contracting, Contract Concurrence and Contract Oversight for Iraq and Afghanistan" (October 25, 2007). This memorandum explains the roles of the JCC-I/A, Defense Contract Management Agency, and others performing contract administration in Iraq and Afghanistan.

- Director, DPAP Memorandum, "Class Deviation–SPOT to Account for Contractor Personnel Performing in the U.S. Central Command Area of Responsibility" (October 17, 2007). This memorandum provides a new clause designating SPOT as the central repository for information on contractors deploying with the forces.

- Director, DPAP Memorandum, "Contractor Healthcare Services-Defense Contractor Outside the United States" (September 17, 2007). This memorandum reiterates that the Department's policy limits healthcare coverage to resuscitative and emergency care for contractors supporting U.S. forces deployed outside the U.S.

- Commander, JCC-I/A Memorandum, "Consistent Application of Theater Contracting Policies in Iraq and Afghanistan" (March 6, 2007). This memorandum requests the CONUS-awarded contracts with performance in Iraq and Afghanistan be coordinated with the JCC-I/A, to ensure contracting best support theater plans.

c. Personnel Policy

Personnel policy for civilians supporting contingency situations is addressed in the following document:

- DoDD 1404.10, "DoD Civilian Expeditionary Workforce" (formerly, "Emergency-Essential (E-E) DoD U.S. Citizen Civilian Employees") (January 23, 2009). The directive establishes the DoD Civilian Expeditionary Workforce (CEW).

In addition, as described in Appendix B, the Department has obtained many legislative enhancements—such as increased premium pay cap, death gratuity payment, and life-insurance coverage—for deployed civilians.

2. Department of Defense Contingency Initiatives: Organization

The acquisition, logistics, financial, and personnel communities are committed to supporting contingency operations. To ensure that support, the Department has adopted organizational approaches that work for the warfighter. The following subsections address the approaches adopted by the Office of the Secretary of Defense (OSD) and the Army.

a. Office of the Secretary of Defense

In 2007, the Department established two primary OSD points of contact within USD(AT&L) for theater business support needs:

- DPAP has a dedicated team of contingency contracting professionals to support the deployed procurement professionals. In May 2007, the Department increased the staffing at DPAP, specifically in contingency contracting. This team consists of staff members who have expeditionary deployment experience. In addition, the team provides the management infrastructure and processes to support the TFWC.

- The Assistant Deputy Under Secretary of Defense (Program Support) supports the program management community engaged in OCS. The Department established this office in October of 2007 to meet the statutory requirements of Section 854 of the FY 2008 NDAA.

In addition, the Under Secretary of Defense (Comptroller), USD(C), supports contingency operations through multiple offices, including the Defense Contract Audit Agency (DCAA). Contingency operations are DCAA's highest priority; therefore, DCAA auditors were among the first DoD civilians in theater. In May 2003, DCAA established the Iraq Branch office to provide audit oversight and support of the contracts performed in theater. In July 2008, the DCAA director approved the opening of a second audit office, to be based in Afghanistan to support increased contingency contracting there.

USD(Personnel and Readiness) helps the Department ensure that the DoD civilian workforce is ready and able to effectively support the warfighter in contingency operations. In January 2009, the Civilian Personnel Management Service established the CEW.

b. Army

The Army, the lead agent in Iraq and Afghanistan, has implemented major organizational changes to enhance contract oversight and maximize the effectiveness of the low-density, high-demand contingency contracting officers (CCOs).

The Army recently directed the consolidation of all theater support contracting capabilities under U.S. Army Materiel Command (AMC). In addition to its theater support contracting mission, AMC is also the executing agent for the Army's LOGCAP. The U.S. Army Contracting Command (ACC) is a major subordinate command within AMC. The ACC provides both theater support contracting services to deployed Army forces and installation contract support to garrison operations through its two subordinate commands: Expeditionary Contracting Command (ECC) and Mission and Installation Contracting Command. In addition, ACC provides reach-back contracting support from its CONUS-based acquisition centers. The ECC is responsible for theater support contracting in support of deployed forces and garrison contracting in support of all OCONUS Army installations and associated forward station units. It accomplishes its theater contracting support mission through its subordinate contracting support brigades (CSBs).

CSBs are small, O-6 level Table of Organization and Equipment commands that serve as the Army's primary theater support contracting organization headquarters. The CSB commander also serves as the primary OCS planner and advisor to the ACC. CSBs, through contracting authority delegated by the ECC, execute theater support contracting actions in support of Army forces in contingency operations and coordinate other common contracting actions as directed by the ECC, the Army Forces (ARFOR) commander, and the senior sustainment command in the area of operations. CSBs provide command and control over a number of contingency contracting battalions, senior contingency contracting teams, and contingency contracting teams as determined during the mission planning process.

Below are other key Army organizational improvements:

- Expanded contingency contract administration services (CCAS) capability, which is enabled by the Army's Force Design Update (approved August 2009) to its CSB structure.

- Enhanced Contract Management Concept Plan, which will increase the expeditionary Army civilian capability of the ACC with contract specialists, property accountability specialists, quality assurance representatives, and lawyers. The Army concept plan, which would increase civilian CCAS numbers, was approved September 29, 2009.

- OCS Planning and Management Cells, which have been approved for Theater Sustainment Commands, the Expeditionary Sustainment Command, and Sustainment Brigades. Soldiers with the "3C" Additional Skill Identifier, gained through attending the OCS course discussed below, will be added as additional duty positions to all logistic battalions and to all brigade and above units. This initiative is being staffed at the Training and Doctrine Command (TRADOC).

3. Department of Defense Contingency Initiatives: Tools

The Department is inserting technology and e-business tools into the contingency environment to optimize the acquisition process for operational contracted support of the warfighter. These include the following:

- Requirements Management Tool–Contingency Acquisition Support Module (cASM)

- Field Ordering Officer Tool (3in1)

- Acquisition Cross Servicing Agreement (ACSA) Global Automated Tracking and Reporting System

- Joint Contingency Contracting System (JCCS)–Supplier Relationship Management (SRM) Application

- Contract Writing System (Standard Procurement System)

- Wide Area Workflow

- SPOT
- Joint Contingency Contracting (JCC) Handbook Online
- Joint After Action Report
- Geographic Combatant Command (GCC) Contingency Contracting Website

Appendix C provides more information on these tools. The commitment of senior leadership to these tools is illustrated by the issuance of the following Director, DPAP policy memorandums:

- Director, DPAP Memorandum, "Standardized Contingency Contracting After Action Report" (January 6, 2009). This memorandum requests the Components review and provide comments to a standardized contingency contracting after action report.
- Director, DPAP Memorandum, "Joint Contingency Contracting Handbook" (April 8, 2009). This memorandum announces the release of the second edition of the JCC handbook.
- Director, DPAP Memorandum, "Coordination on Updated Guidance on Implementation for PGI No. 225-74" (October 27, 2008). This memorandum requires each Geographic Combatant Command to implement its own OCS web portal. It also announces the revision of the DFARS that implements the requirement to use the Geographic Combatant Commander web pages guidance.
- Director, DPAP Memorandum, "Joint Contingency Contracting Handbook" (March 18, 2008). This memorandum describes the purpose of the handbook and requests that each Component create a training plan for how the handbook will be used in garrison/squadron training.
- Director, DPAP Memorandum, "Points of Contact for After Action Reports and Lessons Learned – Contingency Contracting" (June 12, 2007). This memorandum calls for Components to provide points of contact to support the After Action Report and Lessons Learned initiatives for the contingency contracting community.

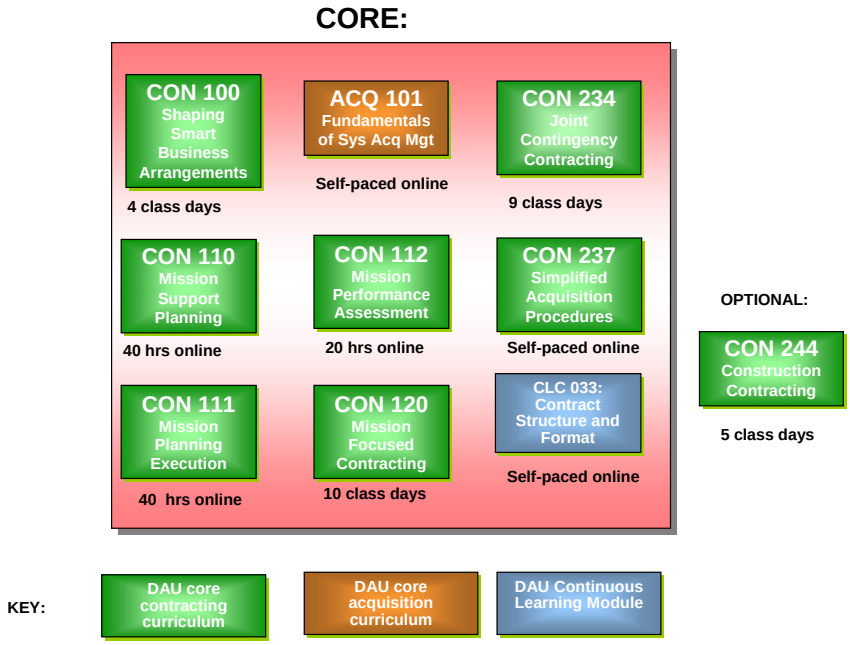
One of the key tools is the JCC handbook. The handbook provides a consolidated source of information for our CCOs conducting contingency contracting operations in a joint environment. Updated recently by those with current deployment experience, the handbook contains task checklists, training, templates, resources, tools, and other information essential for meeting the challenges faced by CCOs, regardless of mission or environment. The handbook is available on the DPAP website[3] and is used as the training plan for a Defense Acquisition University (DAU) course, CON 234, Contingency Contracting. The handbook is also the winner of the first AT&L Workforce Achievement Award for Acquisition in an Expeditionary Environment.

[3] http://www.acq.osd.mil/dpap/pacc/cc/jcchb/

4. Department of Defense Contingency Initiatives: Training

Contingency contracting training is offered at both the Departmental and Service levels. DAU and the Services standardized the required contracting courses for CCOs, which are shown in Figure 1. Nine core courses and one optional course comprise the standard set of CCO training. The result is that CCO training is over 90 percent common across the Services. This common baseline is key to success in a joint environment.

Figure 1. Common Contracting Training for Contingency Contracting Officers



a. Defense Acquisition University Contingency Contracting Training

As shown in Table 1, DAU offers a variety of contingency contracting training, including formal classroom courses, tailored training, and continuous learning modules available online. The training uses various techniques such as formal lectures, simulations, and case studies; it also targets different audiences such as contracting professionals to personnel slated to become CORs.

Table 1. DAU Contingency Contracting Training

Course	Course Description
CON 234: Contingency Contracting ▪ **Prerequisites:** Defense Acquisition Workforce Improvement Act (DAWIA) Level I Certification ▪ **Target Audience:** Contracting and Purchasing career field personnel who are in deployable positions (whenever practicable, professionals should attend the course prior to assuming duties as a deployable contracting officer or purchasing agent) ▪ **Platform:** 9 days resident	Develops skills for contracting support provided to Joint Forces across the full spectrum of military and disaster relief operations. Exercises focus on unique aspects of contingency, critical thinking skills, and the execution of appropriate contractual instruments. Personnel who successfully complete this course will be able to (1) identify and apply contracting laws, regulations, and procedures for contingencies; (2) apply ethical principles in procurement decisions in foreign environments; (3) identify and apply control measures as they apply to contractors accompanying the force; (4) summarize and discuss elements of contingency contracting support planning; (5) assess customer requirements and execute appropriate procurement actions; (6) prepare, assemble, administer, and close out contracts, documents, files, and reports; and (7) recognize cross-cultural behavior patterns and antiterrorism force protection measures and explain their impact on contingency operations.
CON 334: Advanced Contingency Contracting Course (under development) ▪ **Prerequisites:** CON 234 or Contingency Contracting Experience ▪ **Target Audience:** Deploying CCOs charged with leading a contingency contracting effort ▪ **Platform:** 4 days resident	Develops skills for contracting personnel in leadership positions providing support to Joint Forces across the full spectrum of military and disaster relief operations. Exercises focus on unique aspects of fulfilling leadership role with respect to contingency, predeployment and build-up phases of contingency operations, source selection, review boards, and redeployment. The initial pilot occurred in August 2009 and results were incorporated into the course. DAU is holding a second student pilot in November 2009.
CLC 112: Contractors Accompanying the Force ▪ **Prerequisites:** None ▪ **Target Audience:** Open Enrollment ▪ **Platform:** Online	Addresses the roles and responsibilities of a commander in planning for the use of contractors authorized to accompany U.S. armed forces, with a focus on the guidance in DoDI 3020.41, Contractor Personnel Authorized to Accompany the U.S. Armed Forces. The module also introduces basic acquisition and contract management requirements related to implementing DoDI 3020.41 in field conditions.
CLC 114: Contingency Contracting Officer Refresher ▪ **Prerequisites:** None ▪ **Target Audience:** Open Enrollment ▪ **Platform:** Online	CCOs refresh their skills in applying sound procurement techniques, understand funding implications, and understand the importance of effectively administering their contracts while demonstrating exemplary integrity and ethics. CCOs also expand their understanding of their role in helping DoD accomplish its contingency mission and the impact of funds into regional economies.
COR 222: Contracting Officer Representative Course ▪ **Prerequisites:** None ▪ **Target Audience:** Personnel filling the positions of CORs or slated to fulfill position as COR, as well as, supervisors of CORs ▪ **Platform:** 5 days resident	Provides students with knowledge of the roles and responsibilities involved in fulfilling the role of the COR. The course consists of 14 lessons with small group discussions/exercises. Lessons 11–14 are special emphasis areas: 11—service contracts, 12—construction contracts, 13—research and development contracts, and 14—contingency contracts.

Table 1. DAU Contingency Contracting Training

Course	Course Description
CLC 012: Contracting Officer's Representative Course (Health Care Acquisition Activity) ▪ **Prerequisites:** None ▪ **Target Audience:** Open Enrollment ▪ **Platform:** Online	Provides students with a general knowledge of the varied roles and responsibilities involved in the contracting process. This course is broken down into three major parts: acquisition basics, performance-based service contracting, and the contracting process, which focuses on the processes and procedures associated with contracting.
CLC 106: Contracting Officer's Representative with a Mission Focus ▪ **Prerequisites:** None ▪ **Target Audience:** Open Enrollment ▪ **Platform:** Online	Provides professionals with the basic skill set needed to be a COR. It provides an overview of the acquisition process, teaming, ethics and integrity, authorities, contract classification, contract types, proper file documentation, performance assessment methods, remedies for poor performance, invoice requirements, contract modifications, and contract management. The construct of this module provides a flexible training set that can be tailored to an agency's COR training certification program and adheres to the Office of Federal Procurement Policy best practice guideline for CORs.

In addition to its training courses, DAU maintains an active online community of practice[4] that provides a venue for practitioners and the extended acquisition community to share policy information and best practices and to engage in threaded discussions about training and other contingency contracting topics of interest.

b. Additional Joint Training and Joint Exercises

The Office of the Assistant Deputy Under Secretary of Defense for Program Support (OADUSD(PS)) and Joint Staff - Logistics (J-4) have contracted with Joint Forces Command to develop an introductory COR course that will provide general COR process training. The course will address that the CORs key role is to observe, document and communicate contractor performance to the contracting officer and provide him with the tools of how to do this job.

To train the way we fight and fight the way we train, the Department has conducted the following major joint military exercises, which are embedded with OCS concepts:

- U.S. Pacific Command's TERMINAL FURY – exercised the Joint Contingency Acquisition Support Office concept and SPOT
- U.S. European Command's AUSTERE CHALLENGE – exercised the Joint Contingency Acquisition Support Office concept and SPOT
- U.S. Special Operations Command's PANAMAEX – exercised the Joint Publication 4-10 OCS concepts with the Army 410th Contract Support Brigade

[4] See https://acc.dau.mil/contingency.

- U.S. Pacific Command's COBRA GOLD – contingency contracting officer humanitarian and civic action training

c. Service-Level Contingency Contracting Training

The military Services offer the following contingency contracting courses or exercises.

U.S. Air Force

Silver Flag Exercise
Prerequisites: None
Target Audience: Combat support training to active-duty units, the Air National Guard, Air Force Reserve Command, Army, Marine Corps, and allied nations
Platform: 5-1/2 days resident
Course Description: During this primary course, Civil Engineering, Services, and Personnel Support for Contingency Operations (PERSCO) personnel learn how to build and maintain bare-base operations at forward-deployed locations. Students hone a variety of combat and survival skills, such as repairing bomb-damaged runways, setting up base facilities, and disposing of explosive ordnance. Service members receive additional training on providing food service and lodging under simulated wartime conditions, while PERSCO members receive training on accounting for deployed forces, processing casualty reports, and conducting personnel sustainment actions. The course also includes base recovery after attack, disaster preparedness, and explosive ordnance disposal. The Silver Flag Exercise Site, located at Tyndall Air Force Base, FL, is home of Readiness Challenge, the Air Force's biennial contingency support competition. This international competition tests the leadership, teamwork, and warfighting skills of civil engineer, Services, and PERSCO personnel.

Due to lack of funding, the Air Force will not be conducting Silver Flag exercises in 2010. However, the Air Force is in the process of determining the feasibility of adding a Silver Flag-type follow-on exercise to the Mission Ready Airmen's Course (MRAC). MRAC is an eight-week training program for new enlisted personnel. The program provides training for newcomers previously gained through on-the-job training. This training would ensure every Airman attends MRAC (both pipeline and cross-trainee students) would participate in a contingency contracting exercise prior to his or her first assignment. Targeted introduction is late FY 2010 or early FY 2011.

U.S. Army

As shown in Table 2, the Army offers a variety of OCS and contingency contracting training.

Table 2. U.S. Army OCS and Contingency Contracting Training

Course	Course Description
Individual Training and Leader Education for Nonacquisition Soldiers	
Contractors Accompanying the Force Training Support Packet (TSP)	Available via the Reimer Digital Library and LOGNet's Operational Contract Support website. This TSP is being used as the baseline for many of the leader development courses discussed below and will be updated to the OCS TSP in 1Q FY 2010.

Table 2. U.S. Army OCS and Contingency Contracting Training

Course	Course Description
Operational Contract Support Overview Interactive Multimedia Instruction (IMI)	Based on TSP discussed above, course is an update of the previous Contractors Accompanying the Force IMI. It is available via LOGNet's OCS website.
Contracting Officer's Representative Course	Five-day resident and onsite course taught by Army Logistics Management College (ALMC). Eight-hour online course offered by the Defense Acquisition University. AMC is leading an Army team to revamp COR training requirements and associated curriculum.
Performance Work Statements Course	Three-day course taught by ALMC.
Operational Contract Support Course	Two-week course taught by ALMC at Fort Lee, VA. Its purpose is to train Army brigades through Army service component command level staff officers in OCS planning and management. This critically important individual training course is the certification vehicle for the new OCS additional skill identifier (3C). Further information can be found online: http://www.almc.army.mil/hsv/ocsc.htm.
Professional Military Education (PME) Courses with Embedded Operational Contract Support Familiarization Units of Instruction	Units include Intermediate Leader Education courses (all Army majors), Sustainment/Logistics Pre-Command Course (PCC), Combat Arms PCC, Aviation Support Battalion PCC, Theater Logistics Studies Program (1 full week), Strategic Deployment Planning Course, Combined Logistics Captain's Career Course, Multinational Logistics Course, Joint Course on Logistics, Logistics Transformation Course, Transportation Warrant Officer Career Course, and most Staff Judge Advocate courses. TRADOC is reviewing all PME courses to determine how best to incorporate OCS-related curricula in these courses.
Courses Including COR Training	All Quartermaster and Ordnance warrant officer basic and advanced courses, 92G Advanced Noncommissioned Officer Course (ANCOC), and Air Defense Warrant Officer Advanced Course.
Courses Requiring OCS IMI Review	OCS, quartermaster, Transportation Corps, and officer development Basic Officer Leadership Course III, Transportation Corps BNCOC and ANCOC, officer development ANCOC courses, quartermaster ANCOC for 92Y and 92As.
Deployed Operations Resource Management Course (Fort Jackson)	Two-week course for officers, noncommissioned officers (NCOs), and civilians preparing to deploy and conduct resource management operations. Personnel from the Army Acquisition, Logistics and Technology–Integration Office (ALT-IO) provide instruction on resource support to contingency contracting actions.
Resource Management Intermediate Level Education Course	Three-day course taught by ALT-IO personnel and covering three functional areas: Introduction to Contingency Contracting, Planning for Contingency Contracting, and Performing Contingency Contracting.
Collective Training	
Logistic Training Exercises/Mission Rehearsal Exercises	Ongoing coordinated effort by Combined Arms Support Command, USAMC, and ALT-IO to support OCS injects, leader briefings, etc., in numerous logistics training exercises and mission rehearsal exercises. This ad hoc initiative includes the provision of both LOGCAP and CCO observer controllers.

Table 2. U.S. Army OCS and Contingency Contracting Training

Course	Course Description
Battle Command Training Program/Combat Training Center Operational Contract Support Training	Training on how to properly plan for and integrate contracted support and other ALT support into military operations, with specific emphasis on the 3C staff. The capability to provide operational Army units with this training was enabled by the establishment—by TRADOC and the Assistant Secretary of the Army ALT—of an ALT team to formalize the ad hoc collective training support provided by AMC and ALT-IO.
Leader Education and Training Publications for Contracting Professionals (Functional Area 51 Officers, NCOs with a 51C [Contracting] MOS, and Army Civilians)	
Army Acquisition Basic Course	Eight-week resident course taught by ALMC at Huntsville, AL, campus. Provides DAWIA Level I Education Certification in contracting.
Army Acquisition Intermediate Contracting Course	Four-week resident course taught by ALMC. Provides DAWIA Level II Education Certification in contracting.
Army Intermediate Contracting Laboratory	Two-week resident course taught by ALMC. Provides training in Procurement Desktop-Defense software.
Logistics Pre-Command Course	Two-week resident course taught to lieutenant colonels and colonels centrally selected for command in Army Contracting Command (formerly Army Contracting Agency) and Defense Contract Management Agency (DCMA) activities, coordinated by ALMC. The ALT-IO presents a 4-hour block of instruction on OCS planning and management in this course.
Soldier's Manual and Trainer's Guide (STP 70-51C34-SM-TG)	Designed for MOS 51C Acquisition, Logistics and Technology NCO (skill levels 3 and 4). Version 2 is being developed by the Expeditionary Contracting Command.
Officer Foundation Standards (STP 70-51C/Z-OFS)	Designed for MOS 51C Acquisition, Logistics and Technology officers.

U.S. Navy

Naval Postgraduate School MN 3318
Prerequisites: None
Target Audience: NPS Acquisition Management Students
Platform: NPS Residence Curriculum
Course Description: This course is a study of the principles of contingency contracting and the fundamental skills required to provide direct contracting support to joint tactical and operational forces participating in the full spectrum of armed conflict and military operations other than war, both domestic and overseas. Topics include types of contingencies, cross-cultural awareness, CCO authority, roles and responsibilities, anti-terrorism and security, planning, contractual methods and instruments, contract administration, and ethics and standards of conduct.

U.S. Marine Corps

Marine Corps Contingency Contracting Courses
Prerequisites: Panel-selected Company Grade Officers and lateral move E5s
Target Audience: Entry level Marine Contracting Officers and Contract Specialists
Platform: 17 weeks resident taught by DAU Instructors
Course Description: This is the USMC formal school for Contracting Officers and Specialists located at Marine Corps Combat Service Support Schools, Camp Johnson, NC.

CON 234 and SPS training are included. Officers complete Level I and II training. Entry level Contracting Specialists complete Level I training and Senior Enlisted Contract Specialists return to complete Level II training.

USMC School of Advanced Warfighting Operational Contract Support (OCS)
Prerequisites: Selected USMC Command and Staff graduates
Target Audience: USMC School of Advanced Warfighting (SAW) students
Platform: 1 day resident USMC SAW
Course Description: This is a pilot lecture on OCS being introduced for the first time into USMC SAW curriculum on 26 October 2009. The period of instruction is based on the OCS portion of the Contingency Contract Management Training courseware developed for non-contracting personnel. SAW graduates are trained to be planners for the Marine Expeditionary Forces.

Marine Expeditionary Forces COR Training
Prerequisites: Units within I, II, and III Marine Expeditionary Forces (MEF)
Target Audience: Focused on personnel forecast to be designated as CORs within pre-deployment training cycle for Marine Air Ground Task Forces (MAGTF)
Platform: 5 day resident DAU targeted training team at each MEF
Course Description: DAU's COR 222 taught by DAU instructors at each MEF. Sponsored by HQMC I&L (Contracts) for each MEF, with focus on next deploying MAGTF. MAGTFs have scheduled additional COR training in their pre-deployment training plans to meet theater requirements.

The Marine Corps has completely restructured and updated its approach to training in support of contingency operations. The Marine Corps accelerated bringing officers into the contracting career field by starting them immediately following their first MEF tour. On completion of training, officers are assigned to a Regional Contracting Center to gain experience, which makes them eligible for follow-on deployments with the MEF. The enlisted training curriculum mirrors that of officers but is divided into two segments. Enlisted personnel have assignments in the contracting career field between the two segments. The Marine Corps tests this capability daily, during normal operations and exercises.

D. Systematic Evaluation of Contingency Contracting at the Department of Defense

Despite having a strong policy and organizational baseline—and using tools and training to increase warfighter support while ensuring compliance—DoD recognizes the need for continuous improvement in order to successfully support contingency contracting. The Department remains committed to continued pursuit of improvements and resolution of any challenges. To that end, on July 26, 2009, USD(AT&L) directed the creation of TFWC to systematically address the topics raised in the COWC interim report, with a particular focus on the report's issues of immediate concern. The Director, DPAP, is the Chairman of the TFWC; its members are senior-level representatives from USD(AT&L), USD (Comptroller), USD (Personnel and Readiness), the Military Departments, the Defense Agencies, and the Joint Staff. This TFWC Executive Steering Committee will oversee implementation progress as directed by USD(AT&L).

The TFWC's objectives were to (1) map the interim report's observations to each of the eight issues of immediate concern, (2) identify current Departmental initiatives related to those issues, (3) determine a plan of action in the event current Department initiatives do not address an issue, and (4) document its analysis for this report to the USD(AT&L). The following subsections describe the TFWC's approach.

1. Analysis

The TFWC began its analysis by carefully reviewing the COWC interim report, mapping observations throughout the interim report to the eight issues of immediate concern. The TFWC then identified Departmental initiatives that address the interim report's topics and assessed whether the Departmental initiative was making sufficient progress. For those that faced major challenges, the team identified ways ahead.

a. Mapping

The TFWC undertook a subjective effort to classify information in the interim report's chapters with the associated issues of immediate concern. The two-step process involved the following:

- Identifying 55 "observations," which appear throughout the interim report's chapters as chapter subheadings. The distribution of the observations is as follows:
    - Chapter 1, Management and Accountability: Observations 1–21
    - Chapter 2, Logistics: Observations 22–34
    - Chapter 3, Security: Observations 35–45
    - Chapter 4, Reconstruction: Observations 45–55
- Mapping each observation to the eight issues of immediate concern, which is defined in the COWC interim report's executive summary. This mapping exercise had the following key attributes:

- Assignment of an observation to an issue of immediate concern was exclusive (one observation may relate to multiple issues, but was classified in only one issue).
- Only 35 of the 55 observations could be mapped directly to an issue; they are addressed in Section II of this report.
- The remaining 20 observations are ancillary; they are addressed in Section III of this report.

b. Collection of Data on Departmental Initiatives

The TFWC gathered information on Departmental initiatives related to the observations and issues of immediate concern. The Task Force focused specifically on the 35 observations directly related to those issues. Data collection began with a broad data call. Individual TFWC working groups then gathered additional data to fill in gaps.

c. Rating

The TFWC rated the Department's progress on a given COWC observation on two dimensions:

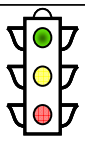
- The impetus for the related Departmental initiatives—why we are engaged in the endeavors. The TFWC's intent was to determine whether the initiatives were self-initiated or undertaken as the result of the COWC interim report.

- The progress made on the related Departmental initiative—how our combined initiatives are progressing to address the COWC's observations.

Figure 2 provides the key that guided the TFWC evaluation.

Figure 2. Key Used to Rate Departmental Efforts

Why We Are Engaged	
✚	**Proactive/**Independent: DoD self-initiated activity (independent of COWC report)
–	**Inactive**: DoD not engaged in an initiative
✓	**Reactive/**Dependent: DoD initiative begun in response to COWC report

How We Are Progressing	
	**On track**: DoD making good progress
	Challenges: DoD making progress but facing challenges
	Major challenges: DoD not gaining sufficient traction

2. Scorecard

The TFWC developed a scorecard to show the results of its analysis of the 35 observations directly related to the issues of immediate concern. Table 3 is the scorecard. The scorecard information is grouped by DoD progress. The related COWC issues of immediate concern also appear in the scorecard. Section II of the report provides detailed information on each of the scorecard elements, plus DoD good news stories, challenges, and major initiatives.

Table 3. Scorecard

COWC Issue of Immediate Concern	COWC Observation	TFWC Team Lead	DoD Impetus	DoD Progress
4	Business systems audits are not conducted in a timely manner. (Observation 16, COWC report page 28)	DCAA	+	On Track
4	Contract audit functions require additional emphasis. (Observation 18, COWC report page 29)	DCAA	+	On Track
3	GAO has identified savings obtainable through greater LOGCAP efficiency. (Observation 26, COWC report page 47)	USA	+	On Track
3	DCAA has identified unnecessarily high spending. (Observation 27, COWC report page 48)	USA	+	On Track
1	Lessons learned in closing and transitioning bases in Iraq indicate needs for: (1) comprehensive transition guidance, (2) a way to synchronize requirements, (3) a better mechanism to terminate contracts for providing support on the base, and (4) synchronization of operations and logistical support. (Observation 29, COWC report page 50)	J-4	+	On Track
1	Work in the pipeline may be unnecessary. (Observation 30, COWC report page 51)	J-4	+	On Track
1	Disposition of property will require a number of decisions. (Observation 31, COWC report page 55)	J-4	+	On Track
8	Private security contractor incidents initiated reform. (Observation 35, COWC report page 63)	ADUSD(PS)	+	On Track
8	Legislative remedies are improving security contract management. (Observation 36, COWC report page 64)	ADUSD(PS)	+	On Track
8	There has been a significant decline in incidents involving the use of force by State Department private security contractors since 2007. (Observation 37, COWC report page 66)	ADUSD(PS)	+	On Track
8	The government must ensure that security contractor source selection under multiple-award IDIQ contracts is truly based on best-value analysis. (Observation 38, COWC report page 67)	ADUSD(PS)	+	On Track
8	Legal accountability for security contractors remains unresolved in Iraq. (Observation 39, COWC report page 68)	ADUSD(PS)	+	On Track
8	Inconsistent rules of engagement and use of force impact security posture. (Observation 42, COWC report page 72)	ADUSD(PS)	+	On Track
2	The contingency contracting workforce remains understaffed. (Observation 1, COWC report page 8)	DPAP	+	Challenges
2	Training for military CORs is often inadequate. (Observation 4, COWC report page 11)	DPAP	+	Challenges
2	Data systems are inadequate to measure contingency contracting activity. (Observation 6, COWC report page 14)	DPAP	+	Challenges
6	Contingency contracting lessons learned are not shared effectively. (Observation 8, COWC report page 17)	J-4	+	Challenges
4	Ineffective contractor business systems increase the likelihood of waste. (Observation 15, COWC report page 27)	DCMA	+	Challenges
4	Contracting officials make ineffective use of contract withhold provisions. (Observation 19, COWC report page 31)	DCMA	+	Challenges
5	Subcontractor cost-control management is ineffective. (Observation 21, COWC report page 34)	USA	+	Challenges

Table 3. Scorecard

COWC Issue of Immediate Concern	COWC Observation	TFWC Team Lead	DoD Impetus	DoD Progress
3	Both LOGCAP program management and contracting offices have been chronically understaffed. (Observation 22, COWC report page 41)	USA	✚	**Challenges**
2	Other oversight staffing shortages also exist. (Observation 25, COWC report page 44)	DPAP	✚	**Challenges**
3	Regular efficiency reviews are needed. (Observation 28, COWC report page 49)	USA	✚	**Challenges**
6	Far-flung bases and rotating units exacerbate the property management problem in Afghanistan. (Observation 34, COWC report page 58)	J-4	✚	**Challenges**
2	Subject-matter-expert support is insufficient to oversee static security services. (Observation 40, COWC report page 70)	DPAP	✚	**Challenges**
2	Ineffective contractor oversight risks contract noncompliance. (Observation 41, COWC report page 71)	DPAP	✚	**Challenges**
3	The time from requirement identification to notice to proceed is too long. (Observation 33, COWC report page 58)	USA	✚	**Challenges**
8	Management of the Armed Contractor Oversight Directorate in Afghanistan poses potential conflict of interest. (Observation 43, COWC report page 73)	ADUSD(PS)	✚	**Challenges**
8	Oversight of contractor weapons possession requires enhancement. (Observation 44, COWC report page 74)	ADUSD(PS)	✚	**Challenges**
2	There are often inadequate numbers of qualified CORs assigned to contractor oversight in Iraq and Afghanistan. (Observation 2, COWC report page 9)	DPAP	✓	**Major Challenges**
2	COR appointments are not increasing with the requirements. (Observation 3, COWC report page 10)	DPAP	✓	**Major Challenges**
4	Lack of resources within DCAA is a significant factor contributing to ineffective audit coverage. (Observation 5, COWC report page 13)	DCAA	✚	**Major Challenges**
2	Lack of CORs is particularly acute for LOGCAP. (Observation 23, COWC report page 42)	DPAP	✚	**Major Challenges**
2	More logistics subject-matter experts are needed. (Observation 24, COWC report page 43)	DPAP	✚	**Major Challenges**
2	Understaffing severely impedes efficient and effective execution of the logistics mission. (Observation 32, COWC report page 57)	DPAP	✚	**Major Challenges**
Total				
8 Issues	35 Observations	8 Teams	33 Proactive 2 Reactive	29 Traction 6 Major Challenges

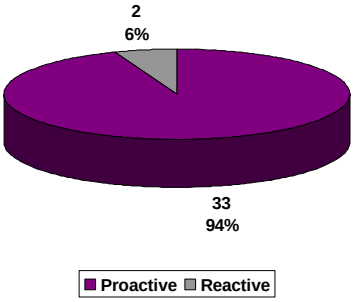
Notes: ADUSD(PS) = Assistant Deputy Under Secretary of Defense (Program Support), DCAA = Defense Contract Audit Agency, DCMA = Defense Contract Management Agency, GAO = Government Accountability Office, IDIQ = indefinite delivery/indefinite quantity, J-4 = Joint Staff Logistics Directorate, LOGCAP = Logistics Civil Augmentation Program, and USA = U.S. Army.

Following is a brief discussion of the two scoring dimensions: impetus and progress.

a. Impetus

The COWC interim report contains 55 observations; approximately two-thirds (35) relate directly to the eight issues of immediate concern. The remaining one-third (20) are ancillary (do not directly correlate to an issue of immediate concern). Of the 35 observations, the Department already had significant initiatives underway addressing 94 percent of those observations (the Task Force has identified these as “proactive”)

Figure 3. The Department Has Been Proactive in its Pursuit of Initiatives



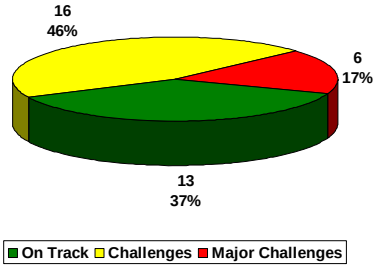
Impetus	Number of observations	Percentage
Proactive (Begun Prior to COWC Interim Report)	33	94%
Reactive (Begun After COWC Interim Report)	2	6%
Total	35	100%

The Office of the Secretary of Defense (OSD) undertook the facilitation of the remaining initiatives (6 percent) following the COWC interim report publication (the Task Force has identified these as "reactive"). However, even where the Task Force identified an initiative as reactive, the Services or Components generally already had begun individual initiatives to resolve challenges. After validating COWC's observations, the Task Force determined the proper solution set for further implementation.

b. Progress

The Department is making significant forward progress on these initiatives; 83 percent of DoD initiatives are free from major challenges. However, we have encountered some barriers, primarily in the area of personnel resourcing for CORs, subject matter experts (SMEs) and DCAA. The Task Force is focusing on improving progress in these areas, and we will continue to work with senior leaders to remove the barriers.

Figure 4. Eighty-Three Percent of the Department's Initiatives Are Free from Major Challenges



	Progress	Number of observations	Percentage	
Traction	Green (On Track)	13	37%	83%
	Yellow (Challenges)	16	46%	
	Red (Major Challenges)	6	17%	
	Total	35	100%	

3. Way Ahead

The Task Force will continue to work the issues raised in the COWC interim report that are experiencing major challenges. Concurrently, the principal action office (PAO) for all initiatives described in this report will continue working efforts to improve support to overseas contingency operations.

a. Issues Facing Major Challenges

To ensure timely and effective progress on the Department's initiatives, the TFWC is targeting those initiatives scored as red (major challenges). We have assigned responsibility for each such effort to a senior leader in the Department. Going forward, the assigned leader for each initiative with a major challenge will provide the TFWC and the USD(AT&L) with quarterly status updates, until the major challenges are removed.

b. Working with the Commission on Wartime Contracting

As the preceding discussion demonstrates, the Department is determined to identify, correct, and prevent contracting efforts inconsonant with U.S. objectives in Iraq and Afghanistan and wasteful of U.S. tax dollars. These areas are of specific concern to the COWC.

In addition to working these many improvements, the Department has supported fully the Commission's independent study by providing it with personnel, data, interviews, and insights. Below are some examples of the Department's support to the Commission:

- The DPAP director serves as a focal point to help facilitate the Commission's efforts. The Department designated DPAP to serve in this role at the outset of Commission.
- The Department detailed SMEs to augment the COWC's 40-member staff. These individuals continue to support the Commission.
- The Department participates in COWC's monthly Contingency Contracting Council.

In short, the Department has been interacting regularly with the Commission throughout its endeavors and it will continue to interface with the Commission and its staff to ensure a mutual understanding of the way ahead for addressing contracting challenges in Iraq and Afghanistan.

Section II. Analysis of Issues of Immediate Concern Identified by the Commission on Wartime Contracting in Iraq and Afghanistan

This section provides detail on DoD's evaluation of the 35 observations and proposed way forward regarding each of the 8 issues of immediate concern identified in the COWC's interim report. We initially discuss the 29 observations where DoD initiatives have gained traction, followed by the 6 observations where DoD initiatives have hit major challenges. Table 4 lists the 29 observations, grouped by issue of immediate concern. The subsequent text presents DoD's evaluation of COWC observations, in the order listed in Table 4.

Table 4. Summary: Eight Issues of Immediate Concern and Associated Observations Where DoD Initiatives Are Free from Major Challenges

Primary Issue of Immediate Concern	COWC Observation	DoD Task Force Team Lead	DoD Impetus	DoD Progress
1	Lessons learned in closing and transitioning bases in Iraq indicate needs for the following: (1) comprehensive transition guidance, (2) a way to synchronize requirements, (3) a better mechanism to terminate contracts for providing support on the base, and (4) synchronization of operations and logistical support. (Observation 29, COWC report page 50)	J-4 (Team 1)	✚	On Track
1	Work in the pipeline may be unnecessary. (Observation 30, COWC report page 51)	J-4 (Team 1)	✚	On Track
1	Disposition of property will require a number of decisions. (Observation 31, COWC report page 55)	J-4 (Team 1)	✚	On Track
2	The contingency contracting workforce remains understaffed. (Observation 1, COWC report page 8)	DPAP (Team 2)	✚	Challenges
2	Training for military CORs is often inadequate. (Observation 4, COWC report page 11)	DPAP (Team 2)	✚	Challenges
2	Data systems are inadequate to measure contingency contracting activity. (Observation 6, COWC report page 14)	DPAP (Team 2)	✚	Challenges
2	Other oversight staffing shortages also exist. (Observation 25, COWC report page 44)	DPAP (Team 2)	✚	Challenges
2	Subject-matter-expert support is insufficient to oversee static security services. (Observation 40, COWC report page 70)	DPAP (Team 2)	✚	Challenges
2	Ineffective contractor oversight risks contract noncompliance. (Observation 41, COWC report page 71)	DPAP (Team 2)	✚	Challenges
3	Both LOGCAP program management and contracting offices have been chronically understaffed. (Observation 22, COWC report page 41)	USA (Team 3)	✚	Challenges
3	GAO has identified savings obtainable through greater LOGCAP efficiency. (Observation 26, COWC report page 47)	USA (Teams 3)	✚	On Track
3	DCAA has identified unnecessarily high spending. (Observation 27, COWC report page 48)	USA (Teams 3)	✚	On Track
3	Regular efficiency reviews are needed. (Observation 28, COWC report page 49)	USA (Teams 3)	✚	Challenges
3	The time from requirement identification to notice to proceed is too long. (Observation 33, COWC report page 58)	USA (Teams 3)	✚	Challenges
4	Ineffective contractor business systems increase the likelihood of waste. (Observation 15, COWC report page 27)	DCMA (Team 4)	✚	Challenges
4	Contracting officials make ineffective use of contract withhold provisions. (Observation 19, COWC report page 31)	DCMA (Team 4)	✚	Challenges
4	Business systems audits are not conducted in a timely manner. (Observation 16, COWC report page 28)	DCAA	✚	On Track
4	Contract audit functions require additional emphasis. (Observation 18, COWC report page 29)	DCAA	✚	On Track
5	Subcontractor cost-control management is ineffective. (Observation 21, COWC report page 34)	USA (Team 5)	✚	Challenges
6	Contingency contracting lessons learned are not shared effectively. (Observation 8, COWC report page 17)	J-4 (Team 6)	✚	Challenges

Table 4. Summary: Eight Issues of Immediate Concern and Associated Observations Where DoD Initiatives Are Free from Major Challenges

Primary Issue of Immediate Concern	COWC Observation	DoD Task Force Team Lead	DoD Impetus	DoD Progress
6	Far-flung bases and rotating units exacerbate the property management problem in Afghanistan. (Observation 34, COWC report page 58)	J-4 (Team 6)	✚	Challenges
8	Private security contractor incidents initiated reform. (Observation 35, COWC report page 63)	ADUSD(PS) (Team 8)	✚	On Track
8	Legislative remedies are improving security contract management. (Observation 36, COWC report page 64)	ADUSD(PS) (Team 8)	✚	On Track
8	There has been a significant decline in incidents involving the use of force by State Department private security contractors since 2007. (Observation 37, COWC report page 66)	ADUSD(PS) (Team 8)	✚	On Track
8	The government must ensure that security contractor source selection under multiple-award IDIQ contracts is truly based on best-value analysis. (Observation 38, COWC report page 67)	ADUSD(PS) (Team 8)	✚	On Track
8	Legal accountability for security contractors remains unresolved in Iraq. (Observation 39, COWC report page 68)	ADUSD(PS) (Team 8)	✚	On Track
8	Inconsistent rules of engagement and use of force impact security posture. (Observation 42, COWC report page 72)	ADUSD(PS) (Team 8)	✚	On Track
8	Management of the Armed Contractor Oversight Directorate in Afghanistan poses potential conflict of interest. (Observation 43, COWC report page 73)	ADUSD(PS) (Team 8)	✚	Challenges
8	Oversight of contractor weapons possession requires enhancement. (Observation 44, COWC report page 74)	ADUSD(PS) (Team 8)	✚	Challenges
Total				
8 Issues	29 Observations	8 Teams	29 Proactive 0 Reactive	29 Traction

Note: The TFWC has determined that the seventh issue of immediate concern (establishment of a contracting command in Afghanistan) is a general topic and has not mapped any specific COWC observations to this issue. The TFWC analysis of Issue 7 appears later in this section of the report.

The following eight subsections, corresponding to the eight COWC issues of concern, summarize the Commission-related observations and present TFWC's evaluation of the Department's progress toward addressing the observations. The evaluation includes good new stories, challenges, the evaluation score, and a plan of action for major initiatives. The ninth subsection summarizes the Department's corrective action plans for removing the major challenges for all initiatives that the Task Force scored as red.

1. Risk Associated with Drawdown of Troops in Iraq

The COWC's first issue of immediate concern is the risk associated with the drawdown of troops in Iraq. As described in the COWC interim report, "the drawdown of U.S. forces in Iraq risks incurring enormous waste, which could range from completion of work that may not need to be done, to poorly controlled handling and disposition of U.S. government property."

a. Summary of Commission-Related Observations

The Department has mapped the following COWC observations to this issue:

Observation 29: Lessons learned in closing and transitioning bases in Iraq indicate needs for the following: (1) comprehensive transition guidance, (2) a way to synchronize requirements, (3) a better mechanism to terminate contracts for providing support on the base, and (4) synchronization of operations and logistical support.

Observation 30: Work in the pipeline may be unnecessary.

Observation 31: Disposition of property will require a number of decisions.

b. DoD TFWC Evaluation of Observations

The Department recognizes the risks inherent in the Iraq drawdown and—along with U.S. Central Command (CENTCOM), DoS, and the Government of Iraq—has issued comprehensive guidance to ensure a responsible drawdown. The guidance calls for transitioning the military mission from Operation Iraqi Freedom to DoS-led stability and partner capacity building and for positioning the CENTCOM theater to respond to current and emerging threats. A critical element is to synchronize the drawdown of contractors and contracting requirements through working groups and boards that engage all key stakeholders.

From its review of plans and orders issued by CENTCOM and Multi-National Force–Iraq (MNF-I), the Task Force determined that transition guidance has been provided and that organizations have been identified to synchronize the drawdown in Iraq from an equipment and contracting perspective.

The Department is engaged in identifying the various categories and types of equipment to determine the magnitude of the work. The categories of equipment include nonstandard, contractor, and enabler military and theater provided equipment. Commanders at all levels must assign accountability for all U.S. government property to designated personnel in accordance with published regulation, policy, and disposition instructions; instill discipline over the redeployment (time-phased force and deployment data/retrograde process); and provide required oversight in accordance with published policy and guidance.

1. Good News Stories

- Working groups at different levels are operating to execute the various actions involved in the Iraqi Responsible Drawdown. One key logistics working group involved in the drawdown is the MNF-I Drawdown Fusion Center, which the Department established to fuse, synchronize, and integrate all critical tasks in support of the drawdown from Iraq. Another is the Joint Logistics Procurement Support Board, co-chaired by the JCC-I/A Commander and MNF-I CJ1/4/8. The board ensures that contract management programs are properly coordinated and prioritized in support of the drawdown, identifies common requirements, eliminates redundancies, identifies contracting gaps, and identifies and resolves problems early on.
- MNF-I Fragmentary Order (FRAGO) 06-341 Mod 1, issued in August 2008, provides comprehensive guidance for screening and distributing contractor-managed government owned (CMGO) property. This FRAGO states that MNF-I will implement a process of screening CMGO property to determine the most effective and efficient use of the CMGO inventory, in the event of base return/closure or major movement of U.S. forces. MNF-I CJ1/4/8 has established a CMGO property review board to govern this process. The FRAGO identifies roles and responsibilities of all parties and describes the disposition process in great detail in 14 annexes. This FRAGO exemplifies the Department's recognition of this challenge and its attempt to establish efficient and effective processes to mitigate the risks associated with the drawdown.
- The COWC interim report points out correctly, that a number of LOGCAP and U.S. Army Corps of Engineers projects in the pipeline may not be necessary given the plans to drawdown U.S. forces in Iraq. The report later points out that $810.6 million (including all military construction past FY 2008) was canceled as Multi-National Corps-Iraq (MNC-I) continues to reevaluate the project list. That leaves 43 projects at $679.3 million continuing, or 45 percent of the initial amount listed. Many of these projects were at locations essential to the responsible drawdown or were so far along in construction that it did not make fiscal sense to cancel the work and not have a usable facility. MNC-I continually reevaluates projects and has only one new military construction project: continued work on the convoy support center at Adder—an FY 2009 project, approved for phase III. The convoy support center will be an essential hub as the Department moves forward with responsible drawdown.
- In March 2008, MNF-I issued direction to reduce the number of contractors in theater by at least 5 percent per quarter as part of the responsible drawdown. To track progress toward this goal, CENTCOM conducts a monthly contractor census and reports this to the Joint Staff, OSD, and Congress. To date, the reduction in contractors has proceeded well ahead of MNF-I's goal and this trend is expected to continue, leading to a contractor footprint of 50,000 to 75,000 by the end of FY 2010.
- The four step disposition process—consume, redistribute, transfer and dispose—is in effect and being executed today. The responsible drawdown actions taken to date have been accomplished while retaining logistics flexibility to adjust to operational changes in mission requirements. Excess property in Iraq is being reviewed against combat requirements in Afghanistan and the DoD as a whole. DoD is working with GSA and has established a process that would allow state and local entities to the opportunity to screen

excess property in Iraq prior to it being transferred to the Iraqi government. This process, developed by MNF-I, is designed to maximize screening/redistribution of Foreign Excess Personal Property prior to its consideration for transfer to the government of Iraq.

2. Challenges

- DCMA has recently brought to light challenges in administering contracts "outside the wire" where force protection may not be adequate. For example, this may occur in foreign military sales with Iraqi security forces. Details on these concerns are emerging and the Joint Staff has agreed to coordinate a working group to help resolve these concerns with the requiring activities who manage these system support contracts.

3. Evaluation Score

Evaluation: Observations 29, 30, and 31	
●	✚
On Track	**Proactive**

The Department has the processes in place to address the drawdown of U.S. forces and contractor personnel in Iraq, resulting in the green rating. The Department is being proactive at all levels to mitigate any risks involved.

4. Major Initiatives

Description	Due Date	Status
Publish MNF-I FRAGO on CMGO process	August 2008	Completed
Reevaluate construction projects	Began August 2008	On Track
Publish CENTCOM operations plan and MNF-I operation order	July 2008	Completed
Begin troop withdrawal from Iraqi cities, villages, and localities	August–October 2009	Completed
Identify equipment categories and densities	Ongoing	Completed
Promulgate timely equipment disposition guidance and instructions, and synchronize and track the disposition/distribution process	Ongoing	On Track
Transition selected LOGCAP services at enduring sites to JCC-I/A contracts	Ongoing	On Track
Synchronize transition from LOGCAP III to LOGCAP IV	Ongoing	On Track
Support Iraq national elections	November 2009–March 2010	On Track
Establish transition force	April–September 2010	On Track
Complete force withdrawal	September–December 2010	On Track
Reduce U.S. and third-country national contractors in coordination with the drawdown.	Ongoing	On Track

Description	Due Date	Status
Address resources, doctrine, and policy changes related to drawdown and establish drawdown authority to ensure operational objectives are met while maintaining good stewardship of all U.S. Government property	Ongoing	On Track
Oversee, synchronize, and execute equipment drawdown through key work groups and teams	Ongoing	On Track

2. Shortage of Contract Management Personnel in Theater and Training

The COWC's second issue of immediate concern is the risk associated with the shortage of contract management personnel in theater and training. As described in the COWC interim report, "there is a critical shortage of qualified contract-management personnel in theater and those that are there are stretched too thin. In particular, the process for designating and training contracting officers' representatives to check contractor performance in theater is broken."

a. Summary of Commission-Related Observations

The Department has mapped eleven COWC observations to this issue. The six observations where related DoD initiatives have gained traction are:

- Observation 1: The contingency contracting workforce remains understaffed.
- Observation 4: Training for military CORs is often inadequate.
- Observation 6: Data systems are inadequate to measure contingency contracting activity.
- Observation 25: Other oversight staffing shortages also exist.
- Observation 40: Subject-matter-expert support is insufficient to oversee static security services.
- Observation 41: Ineffective contractor oversight risks contract noncompliance.

The five other observations mapped to this issue, where related DoD initiatives have hit major challenges, appear in later in this report (see topic 9, Corrective Actions).

b. DoD TFWC Evaluation of Observations

Table 5 summarizes DoD's evaluation of the observations related to Issue 2 for those initiatives that have gained traction. Each observation is addressed individually in the subsections following the table.

Table 5. Summary of Department's Analysis of COR-Related Observations that Have Traction

COWC Observation	Topic	Department's Evaluation
Observation 1: The contingency contracting workforce remains understaffed.	Resourcing	Shortage of contingency contracting workforce is being addressed. Department is completing a Total Force Assessment (TFA), which indicates a sufficient number of CCOs, but insufficient numbers of property administrators (PAs), QARs, and CORs. Concurrent with the assessment, Department is addressing the COR shortfalls.
Observation 4: Training for military CORs is often inadequate.	Training	The Department—through DAU, the Services, and DCMA—is addressing training content and access to web-based training. Accessing the proper operational personnel to train and specific topics most helpful to deployed CORs is an on-going effort; implementing new policies on COR training and certification standards will help structure the training further.
Observation 6: Data systems are inadequate to measure contingency contracting activity.	Information Systems	Future concept of operations for information systems provides the Department's vision for the integration of business information systems in a theater environment.
Observation 25: Other oversight staffing shortages also exist.	Resourcing	In addition to CCOs, the TFA examined key contracting enablers such as PAs, QARs, and CORs. These specialties are being addressed over and above the CCO manning.
Observation 40: Subject-matter-expert support is insufficient to oversee static security services.	Security	Through policy and oversight bodies, the Department is providing the necessary infrastructure to properly oversee private security contractors (PSCs). Efforts continue to strengthen these extensive oversight efforts.
Observation 41: Ineffective contractor oversight risks contract noncompliance.	Security	The Department agrees that ineffective contractor oversight can lead to non-conforming services and supplies. However, the combination of actions described in this TFWC report will greatly contribute to improved training, resourcing, and execution of the contingency contracting and contingency program management functions, reducing the risk.

The issue of sufficiently trained and ready CORs is foremost an operational issue, rather than solely an acquisition concern. However, failure at this first juncture affects the acquisition community's ability to properly manage and oversee the requiring unit's contracted support. Therefore, the unit with the requirement for contractor-provided support must identify the COR to contracting for appointment to the specific contract(s). The unit nominating the COR must consider the technical aspects, monitoring frequency, and monetary value of the requirement to

ensure the COR's subject matter expertise and availability are commensurate to the requirement. The acquisition community supports the CORs through additional specialized training unique to the specific contracts to which he or she is assigned, enabling the COR to effectively oversee contractor performance.

This brings to light an important distinction between CORs and subject matter experts or SMEs. Even when CORs have the requisite skill set for the contract they are administering, there may still be complex performance issues that require unique expertise vital to effective oversight. Therefore, SMEs may be required to support the assigned CORs for unique, complex requirements. SMEs such as civil engineers, food service specialists, medical service, and petroleum management experts among others are important to the effectiveness of government oversight. The Commission points out this relationship and requirement and the need for both CORs to oversee the contractors day-to-day effort and supporting SMEs from the Services to support the CORs overall responsibilities.

The Department leadership has clearly recognized the important role of CORs and SMEs in the post-award administration of contracts to validate the receipt and quality of goods and services. As such, a trained, ready, and properly resourced cadre of CORs is absolutely central to the success of leveraging contractor capabilities to support the warfighter. This realization is evidenced by the August 22, 2008,[1] and February 19, 2009,[2] Deputy Secretary of Defense memorandums. The memos were followed closely by policy, training, guidance, planning initiatives, and discussion within two joint executive steering groups and within the Services and Defense Agencies to work solutions to a trained, ready, and resourced COR workforce.

In the near term, the Department is working diligently to provide adequate resources, pre-deployment, and just-in-time COR training to cover today's shortages of CORs in Iraq and Afghanistan. For example, the number of CORs assigned in Afghanistan has jumped nearly 30 percent in three months. Currently, 85 percent of COR requirements are filled in Iraq for DCMA-managed contracts. These near-term improvements are due to the combined efforts of the acquisition, operational, and in-theater leadership. These efforts are addressing the immediate need, but the Department also has a plan to address the systemic issue of sufficient trained and ready CORs for effective oversight of contracted good and services.

The establishment of a pre-deployment planning assumption for the number of CORs required at the unit level in the deployed environment will go a long way to a long-term solution. This will ensure that units receive the training prior to departure and have the number of trained and ready CORs prior to deployment. This will enable the Services to identify and train a sufficient COR workforce to prevent shortfalls in the future. Measuring and reporting unit readiness against planning assumptions will ensure a continued flow of an adequate cadre of CORs for subsequent deployments.

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[1] Deputy Secretary of Defense, "Monitoring Contract Performance in Contracts for Services," August 22, 2008, http://www.acq.osd.mil/dpap/policy/policyvault/2008-0468-DPAP.pdf.

[2] Deputy Secretary of Defense, "Contingency Contracting Capability/Contracting Officer Representatives (COR) Total Force Assessment and Implementation Plan," February 19, 2009.

Securing the necessary number of CORs is an important first step; however, quality, timely training is the key to effective oversight. Some CORs question the usefulness of training on COR duties for specific contracts assigned, cite concerns over access to web-dependent training due to connectivity issues, and note challenges for CORS who are assigned to monitor a specific class of service with which they lack sufficient experience. These concerns can be addressed by providing CORs revised and flexible training, tools, and useful guidance.

The Department has and is responding. DAU is building a course for deploying CORs, and OSD is leading a joint working group to develop a joint COR handbook that will include guidance, policy, training tools, and formats to guide the execution of their duties. The Services, DCMA, and JCC-I/A have training programs; they are working to make them better. Policy and guidance on execution of deployed COR programs are codified in theater are all working to improve current training programs and policy.

The Department recognizes that the personnel demands of two conflicts and budget constraints impact the Services' ability to quickly resource a solution. However, over 50 percent of our current manpower in theater are contractors. Contractors are providing safe food, drinking water, fire safety, medical support services, security services, and numerous other types of services and material that are key enablers to fielding a force ready to fight and win. Therefore, having an adequate number of trained and ready CORs is a priority for the Department. DoD is taking action across the board to address this important issue.

1. Good News Stories

- Subcommittee 6 (Contract Surveillance) of the Section 813 Panel on Contracting Integrity has evaluated current COR training and has proposed certification standards within a draft DoD Instruction (DoDI), which will serve as the Departmental standard.
- The Army is working new policy to promote planning to identify a specific number of CORs per brigade, measure unit effectiveness in maintaining this standard, and secure the training prior to deployment to resolve resourcing shortfalls in theater. The TFWC will strive to establish a Department standard for "operationalizing CORs."
- The Air Force has established Air Force Instruction 63-124, "Performance Based Services Acquisitions," and Air Force FAR Supplement (AFFARS) Mandatory Procedure 5346.103 to ensure that Air Force CORs are assigned in writing by their functional commander and properly trained before assuming COR duties. COWC has recognized these set of documents as important input to the joint COR handbook being developed by an OSD-led joint working group.
- DAU is revising COR courses to address training concerns and their efforts are addressed in significant detail elsewhere in this report.
- The Services are developing, revising, and conducting COR training to meet the needs of their respective Service.
- DCMA has begun Enhanced COR Training with a pilot course of instruction to the 82d Sustainment Brigade (an Active Component unit) in October 2009. The next COR train-up is scheduled for the 135th Expeditionary Support Command (a Reserve Component, Army National Guard unit) in November 2009. DCMA is currently coordinating Enhanced COR Training for the 1st Marine Expeditionary Brigade.

- The Marine Corps partnered with DAU to conduct COR training prior to deployment of Marine Expeditionary Forces I, II, and III.
- The CCAS Working Group began evaluating COR resourcing in 2008. The CCAS group's plan of action entailed a two-phase exploration of oversight challenges: Phase I, resourcing (near-term issues), and Phase II, doctrine (long-term issues). With the strong groundwork laid by this group, these two phases will transition to two separate bodies to take the initiatives to completion. The TFWC will address the near-term resourcing issues, and the OCS capability area manager and 854 General Officer Steering Committee will address the long-term doctrinal issues, focusing on integrating OCS capabilities and requirements into the Department's long-term strategic planning and budgeting process.
- OSD, Service, and Defense Agency senior leaders have been significantly involved in the effort to resolve the COR resourcing and training requirements.
- Prior to deploying to Afghanistan, the 5/2 Stryker Brigade Combat Team (SBCT) scheduled training for the logistics leadership of the Brigade and follow on training specifically for the CORs. Once in theater, the 143d Expeditionary Support Command provided contract specific training and commented that the 5/2 SBCT soldiers attending the training had a better understanding of their responsibilities and of the process than those organizations that only attended in-country training. This is due in large part to efforts of the 402d Brigade Support Battalion Commander in scheduling training prior to deployment and making training a priority once they arrived in theater

2. Challenges

- In Iraq, COR staffing has steadily improved and currently sits at 85 percent for DCMA managed contracts. In Afghanistan, the numbers are increasing: from August to November 2009, COR staffing has improved from 39 to 68 percent. Based on current trends, Afghanistan will continue to climb toward our immediate goal of filling 85 percent of COR requirements this year in both theaters.

3. Individual Observations

The following sections discuss individual attributes of the observations mapped to this issue of immediate concern.

Observation 1: The contingency contracting workforce remains understaffed.

a. Good News Stories

- CCAS TFA began looking at this issue in November 2008. A February 19, 2009, Deputy Secretary of Defense memorandum[3] drove the total force assessment of CCOs, QARs, and PAs. It also required Services to resource, train, and retain sufficient CORs.

[3] Deputy Secretary of Defense, "Contingency Contracting Capability/Contracting Officer Representatives (COR) Total Force Assessment and Implementation Plan," February 19, 2009.

- Considering funded/planned investments over the Five Year Defense Plan (FYDP) by the Services and DCMA, the Department will have enough CCOs to support a construct of two major regional conflicts for execution in 2012 (beginning in 2011 to allow for training and development of new personnel). This required considerable new investments—primarily by the Army—in contingency contracting, QAR, and contracting oversight staffing over the FYDP. The Army concept plan includes a total staffing increase of 594, of which 563 have been approved and 31 are under review. In addition, the Air Force continued to resource its military CCO capacity to current levels that have enabled it to support nearly 70 percent of the joint taskings since the inception of the war efforts in Iraq and Afghanistan.
- The CCAS process also identified a small gap in PAs needed to support two major regional conflicts. DCMA has agreed to support the property administrator taskings that are required to fill the shortage.
- The Department is working with the Services to fill resourcing gaps for QARs. The Army already has added 200 QARs, who will be coded "emergency essential," to fill the Army share of the QAR gap. The CCAS team is finalizing the Services responses toward filling this gap by 2012.
- COR resourcing is a key portion of the CCAS effort, driving dialogue among senior acquisition leaders from OSD, Services, and Defense Agencies to improve resourcing, training, and support of CORs, which contributed to many of the initiatives discussed in this report.

- In April 2009, the Secretary announced that the Department would invest the resources to add 20,000 new acquisition positions across the board, which goes beyond contingency contracting capability. For example, the Department will add auditors, program managers, and contract attorneys. It will also reinvest in developing the Department's capability to perform cost analysis through the addition of cost and pricing experts.
- Section 852 funding, as well as the Human Capital Strategic Plan and planning process, provide the dollars and leadership attention to ensure that this growth in the acquisition workforce targets the skills and specialties needed to ensure mission success.

b. Challenge

- Securing the support of the operational community to invest in contracting management and oversight resources sufficient to adequately oversee the sizable contractor workforce is a proven challenge.

c. Evaluation Score

Evaluation: Observation 1	
●	✚
Challenges	**Proactive**

The Department is proactive in this area. The CCAS TFA began in November 2008. The Services were already working COR shortfalls and training, OSD had increased attention and oversight of the Service's efforts, and the workforce growth plan announced in April 2009 was the result of an exhaustive review process to recapitalize the capabilities of the acquisition workforce to handle a burgeoning workload. The Department has several efforts in progress, but it has more to accomplish in resolving COR resourcing, policy, guidance, and training. Therefore, this area is rated yellow.

d. Major Initiatives

Description	Due Date	Status
Conduct TFA	NA	Complete
Complete TFA for QARs	December 1, 2009	On Track
Finalize QAR resourcing/risk mitigation to fill gap	December 1, 2009	On Track
Contribute to Army COR planning and resourcing policy	December 1, 2009	On Track

Observation 4: Training for military CORs is often inadequate.

The Department provides COR training in two phases. Phase I—general training on COR responsibilities—is provided by DAU. Phase II—contract-specific training—is provided by the in-theater contracting organization responsible for providing the contracting support to the deployed units. The DAU's Phase I training provides a sound foundation on which the contract-specific Phase II training builds. Having the military units provide the right resource and demonstrate the proper leadership commitment to COR responsibilities is the essential challenge.

DAU provides two main COR courses:

- *CLC 106, an 8-hour continuous learning module (CLM) that provides a basic overview of COR responsibilities.* CLC 106 CLM is web-based training. Because bandwidth issues in forward-deployed areas may preclude access to web-based training, DAU has provided CDs of this course content to the field and a low-bandwidth web link to download slides and text for this course. With the impending implementation of a certification requirement for CORs, DAU is preparing to provide additional courses for CORs to meet these certification standards.

- *COR 222, a 36-hour classroom course that gives a more in-depth training to CORs.* COR 222 resides on the Targeted Training section of the DAU BlackBoard (an internal system for instructors to use with prepaid courses). Therefore, it is not available for the public to view. However, due to the Section 852 funding stream, DAU is working on converting COR 222 content to an online distance-learning course. In the meantime, on a case-by-case basis, it is possible to gain read-only access.

A challenge faced by the Department is that DAU is not centrally funded to teach CORs, so Services must fund individual training. DAU also does not have adequate instructors or facilities

to meet the throughput needs of the COR population. In fact, the vast majority of CORs are not part of the acquisition community that DAU is chartered to teach (i.e., the acquisition workforce). Nonetheless, by utilizing sec 852 funding, DAU is developing and delivering training to support the COR community. Specifically, DAU is developing a new CLM (approximately 3 hours) for CORs who are entering the contingency environment. DAU will seek CORs with recent deployment experience to help guide the courseware development.

a. Good News Stories

- The Department has taken extensive actions to maintain or improve COR training:
  - DAU made CLC 106 CDs and low-bandwidth website available.
  - With Section 852 funding, DAU is converting the 5-day, classroom-based COR 222 to a 36-hour distance-learning course and is developing a new, contingency COR course.
  - Air Force Instruction 63-124 and Air Force FAR Supplement 5346.103 mandate Air Force COR program/training.
  - DCMA is preparing to implement COR training for deploying units and engaging in GCC exercises to promote CCAS capabilities and planning for CCAS needs.
  - The Army Expeditionary Contract Command is training units at its home station, has added COR training to the Digital Training Management System, and is adding COR familiarization courses to 16 officer/NCO course materials.
  - U.S. Marine Corps Marine Air-Ground Task Force predeployment COR training is being sponsored by HQ Marine Corps. The 1st Marine Expeditionary Brigade has completed the first evolution of DAU on-site training/certification. The 1st Marine Expeditionary Brigade has already scheduled the second training/certification evolution with DAU to meet COR shortfalls in theater.
  - JCC-I/A has a COR training program that it consistently develops to support appointed CORs, and the theater has produced mandatory policy requiring local COR training programs.
  - OSD is leading a joint team to develop a Department-wide COR handbook to standardize field guidance.

b. Challenges

- The fluid contingency environment and rapidly emerging requirements make effective and timely training a challenge.

c. Evaluation Score

Evaluation: Observation 4	
●	✚
Challenges	**Proactive**

The Department is proactive. DAU, Services, JCC-I/A, and DCMA have all developed and updated as needed their respective COR training modules. DAU is actively updating current courses and increasing access through conversion of COR 222 to a distance-learning course and has added a course targeted to deploying CORs.

The major initiatives outlined below leading to revised COR training—plus the development of a joint COR handbook to standardize field guidance, checklists, and just-in-time training resources—will provide an improved level of training across the board.

d. Major Initiatives

Description	Due Date	Status
Develop DAU distance-learning course for CORs (COR 222)	4Q FY 2010	On Track
Implement DAU CLC course for CORs on contingency operations	2Q FY 2010	On Track
Implement the standard COR certification standards recommended by the Section 813 panel	4Q CY 2010	On Track
Develop joint COR handbook to integrate training and guidance	March 2010	On Track

Observation 6: Data systems are inadequate to measure contingency contracting activity.

a. Good News Stories

- DPAP Program Development and Implementation's Concept of Operations for the Theater Business Environment provides a vision for the integration of future acquisition systems in a theater environment.
- Wide Area Work Flow (WAWF) is a DoD-wide application designed to eliminate paper from the receipts and acceptance process of the DoD contracting lifecycle. The benefits to DoD are global accessibility of documents, reduced need for re-keying, improved data accuracy, real-time processing, and secure transactions with audit capability. WAWF is deployed in JCC-I/A. Vendor enrollment training is being conducted to increase utilization.
- The General Services Administration improved the Federal Procurement Data System–Next Generation (FPDS-NG) by enabling tracking of contingency contract awards. Spiral improvements are on track.
- The JCCS is and may be part of the standardized backbone.
- Although they are not directly attributable to this observation, other electronic tools in process, such as the 3in1 tool and the Contingency Acquisition Support Model (cASM), will improve data integrity and standardization.

b. Challenges

- The key challenge is combining stove-piped databases and integrating processes driven by that architecture into a common solution.

c. Evaluation Score

Evaluation: Observation 6	
●	+
Challenges	Proactive

The proactive efforts of the Department are demonstrated by the spiral improvements to FPDS-NG, existence of a strategic plan for contingency business systems, and the addition of electronic tools to improve the performance of contingency data systems and the quality of the data. The yellow rating is because of timing: these initiatives will be implemented in the future. Once the Department achieves operational capability of these milestones, this area will be rated green.

d. Major Initiatives

Description	Due Date	Status
Improve accuracy of FPDS-NG (v1.3)	September 2009	On Track
For FPDS-NG (v1.4), address clean data	September 2010	On Track
Integrate JCCS into FPDS-NG	September 2009	On Track
Deploy cASM to improve data flow, integrity, and standardization	March 2010	On Track
Develop 3in1 tool to improve data flow, integrity, and standardization	June 2010	On Track

Observation 25: Other oversight staffing shortages also exist.

a. Good News Stories

- The CCAS Working Group completed TFA on QARs and PAs and required the Services to address resourcing, retention, and training of CORs.
- The ACC civilian concept plan proposes adding 200 (with another 10 pending approval) QARs, 93 PAs, 93 cost/price analysts, and 34 attorneys. Additionally, 160 existing COs are being coded as emergency essential, which will add to the number of deployable CCOs. (This is in addition to the increase of 20,000 in the overall acquisition workforce outlined below.)
- DoD is increasing the acquisition workforce by 20,000 across several functional categories such as contracting, program management, and contract attorneys and is recapitalizing its price/cost analysts' capability.
- The Human Capital Strategic Plan (HCSP) outlines development and management of the acquisition workforce.

b. Challenges

- Challenges surround the tasks of sourcing, training, developing, retaining, and certifying sufficient acquisition personnel to meet the mission, projected workforce turnover, and demands of a growing workload.

c. Evaluation Score

Evaluation: Observation 25	
●	+
Challenges	**Proactive**

The Department has been proactive in its initiative to expand the acquisition workforce, which was announced in April 2009. In addition, it established a CCAS working group, which began efforts in November 2008. However, this area received a yellow rating because, although the resources are funded over the 2009-2014 FYDP, the acquisition specialties are not in place yet.

d. Major Initiatives

Description	Due Date	Status
Approve civilian Table of Distributions and Allowances concept plan, adding mix of acquisition specialists	September 29, 2009	Complete
Implement CCAS TFA for QARs	December 1, 2009	On Track
Approve Army concept plans to increase civilian CCAS numbers	Commenced April 2008; Completed September 29, 2009	Complete
Align acquisition workforce growth plan with HCSP to target strained acquisition workforce specialties	Summer 2010 for FY 2010 Plan, and annually in February thereafter	On Track

Observation 40: Subject-matter-expert support is insufficient to oversee static security services.
Observation 41: Ineffective contractor oversight risks contract noncompliance.

Through policy and oversight bodies, the Department is providing the necessary infrastructure to properly oversee PSCs. The Department issued DoDI 3020.50, "PSCs Operating in Contingency Operations," on July 22, 2009. This instruction addresses the selection, accountability, training, equipping, and conduct of personnel performing private security functions under a covered

contract during contingency operations. It also covers incident reporting, use of and accountability for equipment, rules for the use of force, and administrative actions against PSCs.

Both Iraq and Afghanistan have PSC oversight organizations. In Afghanistan, MNF-I established the Armed Contractor Oversight Division (ACOD) to oversee and serve as MNF-I's overall point of contact on policies that govern PSCs. In Iraq, the Contractor Operations Cell (CONOC) provides this oversight for PSCs.

Contractor oversight is an essential function to ensure that the Department obtains the goods and services it needs to execute its mission. Curbing fraud, waste, and abuse is a concern on all government contracts, including those in a contingency environment. The Department is focused on a holistic approach to the oversight of wartime contracts, leveraging its ongoing efforts at minimizing the circumstances in which fraud, waste, and abuse are likely to occur. CORs are an essential part of contractor oversight, so COR resourcing and training are a key concern. But the needed resources are affected by the infrastructure in which the resource operates. Thus, in addition to focusing on resourcing and training, the Department is also focused on ensuring that those resources have the right organizational construct, policies, processes, and tools to succeed.

a. Good News Stories

- Oversight of PSCs has steadily increased; policy/directives and new management structures to oversee PSCs are in place. As discussed under the Issue 8 heading of this report, the overall trend for all measures of violence began to decrease in late 2006, with a significant downward trend in security incidents beginning in spring 2007.
- The Department is addressing oversight for all overseas contingency operations contracts, not just for security/guard force contracts.

b. Challenges

- The PSC requirement is growing as U.S. forces draw down in Iraq and build up in Afghanistan, adding to the oversight mission.

c. Evaluation Score

Evaluation: Observations 41 and 42	
●	+
Challenges	**Proactive**

Past accomplishments and current initiatives—new policy, doctrine, the DoD/DoS memorandum of agreement (MOA), establishment of in-theater oversight staffs, and leadership attention—have gone a long way toward achieving effective management and oversight of PSCs. This is

demonstrated by the dramatic drop in the statistic on the use of force. Nonetheless, the TFWC assigned a yellow rating to this area because the Department has not yet resolved issues concerning insufficient SME support (number and experience) to oversee static security services (Observation 40). This area will remain yellow until the following major initiatives—in particular, establishment of a forward operating base security specialist to oversee the static PSCs and ensure compliance with military force protection standards—are completed.

d. Major Initiatives

Description	Due Date	Status
Complete the following: • JCC-I/A acquisition instruction clauses • Accountability via Defense Federal Acquisition Regulation Supplement Subpart 225.7040 • DoD Instruction 3020.50, PSCs Operating in Contingency Operations • CENTCOM Fragmentary Order 07-428 • Rules on use of force and processes for recurring training • U.S. Forces–Afghanistan (USFOR-A) operations plan for oversight/management • DoD/DoS memorandum of agreement	NA	Completed
Implement ACOD/CONOC as a program management oversight function	Ongoing	In place
Research requirement/noncompliance with entry of PSCs in SPOT	December 1, 2009	On Track
Examine/implement policy to establish Service anti-terrorism/force protection experts as CORs for static PSCs	February 15, 2010	Researching

3. Acceleration of Transition to the New LOGCAP IV Contract

The COWC's third issue of immediate concern is the risk associated with accelerating the transition to the new LOGCAP IV contract. As described in the COWC interim report, "the benefits of competition are not being fully realized because of the slow pace of the transition from LOGCAP III to the more competitive LOGCAP IV logistics support contract."

a. Summary of Commission-Related Observations

The Department has mapped the following COWC observations to this issue:

- Observation 22: Both LOGCAP program management and contracting offices have been chronically understaffed.
- Observation 26: GAO has identified savings obtainable through greater LOGCAP efficiency.
- Observation 27: DCAA has identified unnecessarily high spending.
- Observation 28: Regular efficiency reviews are needed.
- Observation 33: The time from requirement identification to notice to proceed is too long.

b. DoD TFWC Evaluation of Observations

Competition has improved under LOGCAP IV. With three contractors competing for each task order, market forces remain in play to help ensure better prices and improved quality. Work is transitioning from LOGCAP III to LOGCAP IV consistent with presidential guidance and with the Department's mission and security agreement terms. A transition effort of this magnitude is unprecedented, and this model provides the opportunity to incorporate lessons learned as we move progressively from the less complex to the most complex transition endeavors.

1. Good News Stories

- Competition has increased under LOGCAP IV.
- LOGCAP's team approach is working well.
- Services continued without interruption during transition to LOGCAP IV.
- The Department is monitoring the program and taking steps to protect the U.S. government and soldiers.

2. Challenges

- The Theater Commander needs to define a timeline for transitioning to a sustainment state.
- The right skill sets are needed for efficiency reviews.
- Transition is not easy. Over 6,000 line items of property in Iraq alone must be transitioned. Transitioning work, while at the same time ensuring seamless mission support, is akin to building an airplane while it is flying.

3. Individual Observations

Observation 22: Both LOGCAP program management and contracting offices have been chronically understaffed.

a. Good News Stories

- The Army has prepared a concept plan to add more resources to the LOGCAP Program Office. The concept plan identifies manpower resources needed for the ACC to better manage the expanding LOGCAP mission. Specifically, 30 additional civilian personnel, and 1 additional military person, are needed to plan, coordinate, execute, and manage LOGCAP support for deployed forces worldwide. That support includes contract administration, program oversight, and technical expertise to plan and administer the LOGCAP contract. These positions have not been validated or funded by the Army because the final placement of the LOGCAP Program Office within the Army has not been determined.
- The ACC is increasing the contracting workforce as a whole, adding 617 military and 1,191 civilian contracting personnel over the next 3 years. Of those resources, 4 military and 192 civilian personnel will be provided to the LOGCAP contracting office at the Rock Island Contracting Center. As an example, the Rock Island Contracting Center established a reach-back team in early 2008 with 8 personnel executing over $800 million of contracts in support of Kuwait contracting operations. Most recently, the Army expanded this division to 57 personnel who are now providing reach-back support to the Kuwait, Qatar, Surface Distribution and Deployment operations in CENTCOM and PACOM, and the Joint Contracting Command-Iraq/Afghanistan. In total, this CONUS-based operation is planning or executing over 180 contract actions with a potential in excess of $13 billion in support of our warfighters.
- Congress has funded the growth of the acquisition workforce through Section 852 of the 2008 NDAA. Funds have been distributed, hiring has begun, and 142 of 260 contracting interns are already hired and in training. Of those, 29 interns and 6 fast-track trainees have been allocated to the Rock Island Contracting Center.

b. Challenges

- The LOGCAP Program Office has requested additional resources. However, the Army has not yet determined where the Program Office will be located permanently. Therefore, it has put the request for 31 additional personnel (30 civilian and 1 military)—which were included in the “Enhanced Contract Management” concept plan—on hold until that decision has been made.
- Once the Army validates the need for additional LOGCAP positions, it must find funds to fill those additional positions. The Army currently is unable to fund all validated positions; approximately 17,000 positions are validated but unfunded Army-wide, including those in frontline units. LOGCAP has requested funding of 15 civilian positions under 852 funding.

c. Evaluation Score

Evaluation: Observation 22	
●	+
Challenges	Proactive

The Army has recognized the need for additional support to the LOGCAP Program Office and has provided additional resources for several years in succession. This supports rating the initiative proactive. However, significant problems in the LOGCAP Program Office remain, which drives rating the initiative as yellow. The yellow rating is a rollup score, reflecting that the LOGCAP contracting office is green and the program management office is red.

d. Major Initiatives

Description	Due Date	Status
Prepare concept plan that identifies manpower resources needed for the ACC to better manage the expanding LOGCAP mission	February 2009	Completed
Approve concept plan for contracting resources	September 2009	Completed
Add 617 military and 1,191 civilian contracting personnel to the DoD contracting workforce, beginning FY 2009 and completing FY 2012.	End state: September 2012	On Track

Observation 26: GAO has identified savings obtainable through greater LOGCAP efficiency.

a. Good News Stories

- The Department has achieved savings from contracting directly with a company for dining facility services (DFAC) in Kuwait.
  - Per Field Manual (FM) 100-10-2, there is no "cookie-cutter" method for determining the proper source of support for any given requirement. Determining the best support option is an involved process that considers factors that vary from operation to operation. The food service contracts cited in the COWC interim report are sustainment contracts. The principal objective of the LOGCAP IV contract is to provide combat support and combat service support (CS/CSS) augmentation to Combatant Commanders (COCOMs) and Army Service Component Commanders (ASCCs) throughout the full range of military operations. LOGCAP is primarily designed for use in operational situations in which military CS/CSS capabilities are limited and in which host nation support and theater support contracting capabilities are insufficient or lacking. The LOGCAP objective is to preplan for the use of civilian contractors to perform selected services in wartime to augment Army forces.

Utilization of civilian contractors in a theater of operation will release military units for other missions or fill shortfalls.

- The suggested solution requires additional government resources to manage the additional prime contracts and oversee performance. Given the current government resources available, the LOGCAP process of awarding a task order in which the prime manages performance and subcontracts for part of the work is the best way to provide the level of support required in theater.

- Combined Joint Task Force-7 eliminated extra dining and laundry facilities and services, saving $108 million in 2004. This is a function of the standard levels of support that currently are being discussed at senior levels and must then be instituted in doctrine. This will incorporate the now-standard use of Joint Acquisition Review Boards. Paragraph C-12, FMI 4-93.41 (FM 63-11), dated February 22, 2007, states that "LOGCAP execution will be tied closely to the Acquisition Requirements Board (ARB) or Joint Acquisition Requirements Board (JARB) per operational specific [operations plans] and/or directives. The ARB/JARB process provides advice on alternative methods for satisfying logistics/construction requirements. The ASCC CSB Commander/Principal Assistant Responsible for Contracting (PARC), the Theater Sustainment Command, and numerous other ASCC/ARFOR or joint staff take part in this process. The ARB/JARB prioritizes requirements and allocates workload to military units, Host Nation Support, theater support contracting, or LOGCAP based on criticality, timeliness, quality, and cost." FM 100-10-2, Contracting Support on the Battlefield, provides additional information about the ARB process and future agreements on standard levels of support that will be provided by contractors. Both will help control demand and lead to good standard statements of work and metrics. The metrics can be used to compare contractor performance to a set baseline and determine how scarce government resources can best support the DoD mission.
- Savings from the Kuwait competition have not yet been determined.
  - The pressure of competition was a definite factor in the pricing of the Kuwait Area of Responsibility (AOR) LOGCAP IV task order. It is still too early to determine the extent to which legitimate cost increases from the awarded baseline will be realized. This is the first of the LOGCAP III requirements to be competed under LOGCAP IV. As such, there may be instances in which the services provided under the LOGCAP III contract were not captured with perfect clarity in the LOGCAP IV performance work statement (PWS). As performance under LOGCAP IV progresses, areas in which ambiguities exist will rise to the surface and will be examined. At this point, it appears the effect of Kuwaiti labor laws and taxes, which were excluded for purposes of conducting the competition, is a legitimate cost increase that the CO now anticipates may have a substantial impact on the task order price. When the Rock Island Contracting Center provided the task order award price to COWC, it was not able to quantify the dollar amount of this impact because it had never before been isolated.
  - To assess cost realism, the Army applied cost and price analysis techniques to the offerors' proposals. Those analyses showed that the offered prices were within a reasonable range and that competitive pressure was indeed at work. To guard against unwarranted cost growth, the Army will carry out diligent evaluation of any

contractor requests for equitable adjustment, with a focus on keeping competitively established pricing intact and avoid expanding the fee base for work that was included under the requirement as competed. Keeping the fee base under control is an important part of incentivizing cost control. Under a cost-type contract, a contractor does not earn greater profit simply for spending more money; the contractor increases its returns only when the fee base is expanded (through establishment of a new negotiated estimated cost under a contract modification). When the fee base is kept under control and the contractor is carrying the initial financing burden for contract operations, the contractor is incentivized to minimize incurred costs to protect its profit margin. This effect is accentuated by the fact that that the FAR precludes contractors from recovering interest expenses. Further, in performance, the Army will carefully monitor the contractor's performance and incurred costs to identify cost growth trends, and will work with the Deputy Program Director, DCMA, and DCAA to take action as appropriate to guard against unwarranted cost growth. Another measure for ensuring cost control is the inclusion of this factor in the award-fee criteria. Finally, the contractor's overall performance will be taken into account when the CO determines whether to exercise the next option period under the task order. In this way, competitive pressure is brought to bear on every aspect of performance, including cost control.

b. Challenges

- The Department has established standardized statement of work templates for common services, such as dining facilities, and is working on more. However, in a contingency environment, the support required at various locations may differ, based on the local threat environment and access to reliable sources of supply and labor, and thus, the templates may need to be tailored. Additionally, it is relatively easier to drive efficiencies in performance when the performance environment is more predictable, thus the challenge in a contingent environment.
- LOGCAP was designated to provide support in a contingency environment during the short time needed to put sustainment operations in place. However, in Iraq and Afghanistan, the Theater Commander has yet to move to sustainment operations. During sustainment operations, work moves from LOGCAP contracts to locally obtained, smaller contracts with more predictable requirements, which enable improved performance efficiencies. It should be noted that in many cases, local contractors will not have the capability or capacity to perform well under such contracts, making it a challenge to convert from LOGCAP to local sources.

c. Evaluation Score

Evaluation: Observation 26	
●	+
On Track	**Proactive**

The Army has oversight plans in place to ensure that efficient performance is being achieved under the LOGCAP III and IV contracts. In addition, the competitive environment fostered by LOGCAP IV has produced more efficient performance. The statements of work have become "crisper" and the work required is better defined. In addition, as three contractors compete for task orders, they have begun to identify additional savings. Therefore, appropriate action has been taken for this observation, resulting in the TFWC's conclusion that no additional Department action is necessary. However, the Department will continue to look for opportunities for government savings and efficiencies. Because the above actions have been ongoing since at least 2003, the Department's process is proactive.

d. Major Initiatives

Description	Due Date	Status
Staff LOGCAP with functional experts who have specialized knowledge of the services to be delivered, which will allow the Army to better determine the efficiency and effectiveness of services being delivered and to identify possible alternatives that could provide better results	2005	On Track
Establish the overarching transition approach	June 2007	Completed
Transition to LOGCAP IV in Kuwait	May 2009	Completed
Transition to LOGCAP IV in Afghanistan	August 2010	On Track
Update the timeline for transition to LOGCAP IV in Iraq to reflect the impact of the change in U.S. policy concerning U.S. forces in Iraq	Summer 2009	Completed
Complete Iraq Corps Logistics Support Services (CLSS)/Theater Transportation Mission (TTM) acquisition	December 2009	On Track
Complete Iraq base life support acquisition	March 2010	On Track
Complete Iraq CLSS, postal, and air terminal transition	December 2009	On Track
Complete Iraq base life support transition	March 2010	On Track
Resolve cost withhold for private security	2010 trial date	On Track

Observation 27: DCAA has identified unnecessarily high spending.

a. Good News Stories

- The DFAC billing on headcounts in the SOW rather than actual meals served involved 15 LOGCAP task orders providing DFAC services during the first 6 to 9 months of Operation Enduring Freedom/Operation Iraqi Freedom. This issue has been resolved; the LOGCAP task orders are now using the actual count of meals served as a basis for payment. In 2005, KBR, Inc., a U.S. company specializing in engineering and construction, instituted a new subcontractor billing method that separately identifies individual cost elements and requires billing food costs based on actual meal counts. DCAA has stated that the new billing method appears to be a significant improvement over the prior subcontract method. Several benefits are associated with the new subcontract method, including consistent pricing across all DFAC sites, fixed costs that are separately identified and billed, and food costs that vary directly with actual headcount/meals served.
- The issue of prices for living containers was addressed adequately during the negotiations of the related contract action. The work had to be split among several subcontractors to obtain the containers within the time frame required. Therefore, the total cost could not be based just on the lowest-cost subcontractor's prices. By questioning the costs, DCAA brought to the procuring contracting officer's (PCO's) attention the need for additional information about this cost element.
- DCAA initially questioned KBR's purchase of containers from other than the low-priced vendor. Discussions revealed that, due to the large volume being acquired and delivery schedule requirements, KBR was not in a position to acquire all containers from the lowest-priced vendor. After reviewing these costs and actions in detail, the PCO determined that KBR's approach was not unreasonable under the circumstances and did not disallow the costs for the containers. In addition, the PCO considered that troops were already housed in the containers. Consequently, during the negotiations defining Task Order 59, the PCO reached a settlement with KBR that recognized $99 million for container costs but did not include fee for those costs. In reaching such a settlement, the PCO recognized the final cost paid by the government would be subject to further review by DCAA as a part of an incurred cost audit.
- Cost for private security services originally was buried in a subcontractor's costs. It is no longer an issue, because the PCO stopped the subcontractor from purchasing the services and disallowed all related costs.
    - The government became aware of KBR's use of private security for protection in January 2007 when the subcontractor and its parent company revealed in a data call that they had subcontracted under the LOGCAP III contract. This was the first time the PCO knew of any private security-related costs under the LOGCAP contract. At that time, the PCO requested KBR to provide detailed documentation on the subcontracts.
    - On February 6, 2007, the PCO notified KBR of the intent to adjust payments on the LOGCAP III contract in accordance with FAR 52.216-7, Allowable Cost and

Payment, for charges associated with the unauthorized use of armed private security under the contract. The initial adjustment for $19.6 million related to the unauthorized use of private security for the subcontractor's subcontracts.

b. Challenges

- The events leading to the discovery of private security costs contained in the subcontracts raised concerns about whether security costs may have been improperly charged and paid under other KBR subcontracts. Thus, in the aforementioned February 6, 2007, letter, the PCO also notified KBR that additional adjustments would be made in the amount of 6 percent of all other subcontract billings unless KBR could provide sufficient information to demonstrate that all such costs had been documented and that further action was not necessary. In October 2007, KBR filed a claim with the PCO for the withheld $19.6 million. In March 2008, after a deemed denial of the claim by the PCO, KBR filed an appeal with the Armed Services Board of Contract Appeals. On August 3, 2009, DCAA issued a revised Form 1 to withhold additional amounts. The total on the Form 1 is now $103 million. DCAA has already begun to adjust payments on vouchers submitted by KBR to recoup the additional dollars. No further withholding actions are contemplated until the matter is settled in litigation. A trial date is tentatively set for 2010.

c. Evaluation Score

Evaluation: Observation 27	
●	+
On Track	**Proactive**

The Army has an ongoing process in place, with its DCAA and DCMA partners, to review billings to validate that payments under the LOGCAP III and IV contracts conform to valid contract requirements and efficient performance. This drives the assignment of a green rating. In addition, since the Army promptly began corrective action when it identified problems under LOGCAP III and has resolved all the issues noted in the report, the TFWC assigned this a proactive rating. The TFWC notes that the Army has internal controls in place and is continuously undertaking corrective actions as issues are raised.

d. Major Initiatives

Description	Due Date	Status
Resolve issue in the SOW concerning DFAC billing on headcounts rather than actual meals served	2005	Completed
Resolve issue concerning prices for living containers	2005	Completed
Resolve cost withhold for private security	2010 trial date	On Track

Observation 28: Regular efficiency reviews are needed.

a. Good News Stories

- In coordination with the ongoing Task Force SAFE (Safe Actions for Fire and Electricity) initiative, SMEs are verifying that electrical work is being conducted correctly in Iraq and Afghanistan.
- Army Field Manual 4-93.4, Theater Sustainment Command, paragraph 2-109, states that the Army Field Support Brigade (OCONUS) "is the primary point of contact for [acquisition, logistics, and technology] ALT support within the theater. Key functions include…providing direct reach to the national sustainment base to include expert advice and call forward assistance regarding readiness and sustainment." This reach-back includes access to SMEs who understand the most efficient way to perform logistics support services.

b. Challenges

- A July 2004 GAO report (GAO-04-854) recommended that the Secretary of Defense "direct the service secretaries to establish teams of SMEs who will periodically travel to locations where contractor services are being provided by logistics support contracts to evaluate and make recommendations on (1) the appropriateness of the services being provided, (2) the level of services being provided, and (3) the economy and efficiency with which the services are being provided."

c. Evaluation Score

Evaluation: Observation 28	
●	+
Challenges	**Proactive**

The Department has changed doctrine to direct the use of SMEs to provide reach-back support for forward-deployed units as far back as March 2003. Therefore, proactive action is ongoing, as reflected in the evaluation score, although problems exist with doctrine execution. These two counterbalancing forces result in the yellow rating.

d. Major Initiatives

Description	Due Date	Status
Undertake Task Force SAFE initiative	Began March 2009	Complete in late 2009
Revise FM 4-93.4	2003	Completed April 2003

Observation 33: The time from requirement identification to notice to proceed is too long.

Under Observation 33, the COWC interim report mentions Army guidance highlighting the importance of early identification of requirements as key to maximizing the effectiveness of contractor support. It also notes that the LOGCAP deputy program manager in Afghanistan said that earlier notification of service requirements could cut delays in getting support to requesting units.

Administrative lead time is a timeline metric that defines the standard time to process a contracting action, from identification of the requirement to contract award. Thus, actions by the requiring organization on the front end—like planning for and defining the requirement, for example, in a SOW or PWS—are key milestones.

a. Good News Stories

- The Department is developing a web-based tool—the contingency Acquisition Support Module (cASM)—to provide support to requirements generators in expeditionary operations. This tool will assist with translating a combatant commander's requirement into a procurement package that includes all the required documents and approvals, a responsive contract statement of work, and any ancillary data or information for acquisition approval and contract action. The cASM will simplify the process for the warfighters, providing templates, populating data, and providing the contracting office with an approved procurement package that the CO can act upon expeditiously. The USD(AT&L) has designated cASM as a special-interest program. Appendix D provides a copy of the USD(AT&L) designation memorandum. The Department's Contingency Contracting Handbook also contains sample, commonly used, standardized Statement of Work and Performance Work Statement templates.

b. Challenges

- Although cASM will soon be field tested, it is still in development. Initial deployment will begin in 2010.

c. Evaluation Score

Evaluation: Observations 33	
●	✚
Challenges	**Proactive**

The LOGCAP program office and DoD have had ongoing initiatives in place to improve early identification of requirements. The cASM module development was ongoing before the COWC report was issued. The LOGCAP program office has been developing standard PWSs for base support requirements and the LOGCAP IV contract's competitive environment has driven improvements in SOWs. The yellow rating is because of timing: cASM will be implemented in the future. Once the Department achieves cASM operational capability, this area will be rated green.

d. Major Initiatives

Description	Due Date	Status
Deploy cASM requirements generator tool	March 2010	On Track

4. Adequacy of Contractor Business Systems

The COWC fourth issue of immediate concern is the adequacy of contractor business systems. As described in the COWC interim report, "too many contractor business systems are inadequate and must be fixed."

a. Summary of Commission-Related Observations

The Department has mapped the following COWC observations to this issue:

- Observations related to DCMA
  - Observation 15: Ineffective contractor business systems increase the likelihood of waste.
  - Observation 19: Contracting officials make ineffective use of contract withhold provisions.
- Observations related to DCAA
  - Observation 5: Lack of resources within DCAA is a significant factor contributing to ineffective audit coverage.
  - Observation 16: Business systems audits are not conducted in a timely manner.
  - Observation 18: Contract audit functions require additional emphasis.

b. DoD TFWC Evaluation of Observations

1. Good News Stories

- The Director, DPAP established subcommittee 11, within the Section 813 Panel on Contracting Integrity, to assist with the Department's mission to eliminate areas of vulnerability in DoD contracting systems. The subcommittee will focus on establishing consistent processes and procedures to address contractor business system deficiencies. The subcommittee held its first full meeting on October 23, 2009, for the purpose of prioritizing goals and establishing working groups.
- DCAA has increased its emphasis on completing major contingency contractor business system audits.
- DCAA has always fully staffed its in-theater audit activity. DCAA views contingency operations as its highest priority.
- DCAA and DCMA are increasing their agency-wide staffing using the Defense Acquisition Workforce Development Fund. (DCMA will target a 300 percent increase in its headquarters Contractor Purchasing Systems Review Center.)
- DCAA has increased its emphasis on economy and efficiency audits in theater.

2. Challenges

- The Panel on Contracting Integrity subcommittee's comprehensive review and analysis of the Department's audits and evaluations of contractor business systems will take time.

- DCMA's overall workforce and resources are inadequate. In April 2009, the Secretary announced that the Department would invest the resources to add 20,000 acquisition positions across the board, which goes beyond contingency contracting. DCMA will receive 2,500 of those resources.
- DCAA's overall staffing is well short of audit requirements, but the agency is working to resolve its backlog of contingency contractor business system audits.

3. Individual Observations

Observation 15: Ineffective contractor business systems increase the likelihood of waste.
Observation 19: Contracting officials make ineffective use of contract withhold provisions.

a. Good News Stories

- Subcommittee 11 within the Section 813 Panel on Contracting Integrity will facilitate the establishment of consistent processes and procedures to address contractor business system deficiencies. The subcommittee's charter is provided in Appendix E. This subcommittee is an interdepartmental committee to review current policy, procedures, and practices within DoD regarding the Department's audit, evaluation, and administration of contractors' business systems to include contractor internal control systems or other contractor systems the subcommittee may identify. They are informed by COWC's "Special Report on Contractor Business Systems."
- DCMA has established a board-of-review process to assess COs' resolution of significant audit issues.

b. Challenges

- COs and auditors may not speak as one voice regarding the adequacy of systems and clarification may be needed in the Federal Acquisition Regulation on the number of business systems required by regulation and the responsible government entity (CO or auditor) charged with determining system adequacy.
- Clarification and specificity with respect to DCAA's and DCMA's roles and responsibilities will help to avoid conflicts between agency opinions.
- The Federal Acquisition Regulation may need to be amended to permit COs to implement effective monetary withholds for significant system deficiencies.

c. Evaluation Score

Evaluation: Observations 15 and 19	
●	✚
Challenges	Proactive

Before COWC issued its interim report, DCMA identified that ineffective contractor business systems can increase the likelihood of waste. Specifically DCMA identified a need for stronger remedies for contractor business system deficiencies such as direction to disapprove systems and express authority to withhold payments regardless of contract type. Therefore, we have identified this as proactive.

d. Major Initiatives

Description	Due Date	Status
Establish an interdepartmental subcommittee to examine contractor business systems	August 2009	Complete
Identify issues and recommend solutions	Ongoing	On track
Brief Contracting Integrity Panel on progress, status, and recommendations and issue corrective actions	Commence January 2010	On track

Observation 16: Business systems audits are not conducted in a timely manner.

a. Good News Stories

- DCAA has increased its emphasis on audits of contingency contractor business systems, which has decreased the amount of time an audit is delinquent.
- Lack of DCAA contractor business system audits has been mitigated by real-time testing, which has resulted in more than 100 cost suspensions totaling more than $500 million.
- DCAA has issued a number of guidance memorandums that have helped reduce the amount of time it takes to audit contractor business systems. The guidance has done the following, among other things:
  - Specified actions that auditors should take to pursue access to contractor records, when a contractor is not timely in responding to DCAA requests in support of its audit activities.
  - Ceased participation in integrated process teams. These teams left audits of contractor business systems open while contractors pursued corrective actions, often taking several months or years to do so.

- Clarified what constitutes a significant deficiency and eliminated the "inadequate in part" opinion in an attempt to reduce the apparent confusion regarding the expectation of the contractor and CO regarding the reported deficiencies.

b. Challenges

- DCAA has insufficient staffing to satisfy all audit requirements.
- Contractors often make numerous changes to their business systems, including reorganizations, during ongoing audits.
- Contractors often fail to provide DCAA timely access to its data, systems, or personnel.
- DCAA audits are often affected by the lack of timely government decisions and contractor corrective actions on current and prior business system deficiencies.

c. Evaluation Score

Evaluation: Observation 16	
●	✚
On Track	**Proactive**

Before the COWC issued its interim report, DCAA had assessed the status of the business system audits at major contingency contractor locations. That assessment revealed that some of the most recent audits of contractor business systems had not been completed within DCAA's cycling policy (e.g., at least once every 4 years). Because of that assessment, DCAA established a plan to become current on its business system audits at all major contingency contractor locations by September 2010.

d. Major Initiatives

Description	Due Date	Status
Reassess state of business system audits at major contingency contractors and reprioritize based on greatest risk	April 2009	Completed
Establish plan for becoming current on major contingency contractor business system audits	May 2009	Complete
Assess audit requirements and work agency-wide staffing shortages with DoD	Ongoing	In process
Become current on major contingency contractor business system reviews	September 2010	In process
Issued clarifying audit guidance		

Observation 18: Contract audit functions require additional emphasis.

a. Good News Stories

- DCAA's real-time testing of contractor requests for payment has resulted in more than 100 cost suspensions totaling more than $500 million.
- DCAA has always recognized the importance of conducting economy and efficiency audits in the contingency environment and will increased emphasis on performing these audits for FY 2009 and FY 2010.

b. Challenges

- COs often do not seek DCAA services prior to contract award. However, DCAA can assist the CO with assessing the reasonableness of proposed prime and subcontractor costs and with assessing the sufficiency of a potential contractor's accounting system for its ability to account for costs.

c. Evaluation Score

Evaluation: Observation 18	
●	✚
On Track	Proactive

The COWC noted that the contract audit function could be better utilized by (1) in-theater contracting commands seeking input from DCAA prior to contract awards, and (2) DCAA placing additional focus on the performance of economy and efficiency audits. Since May 2003, DCAA has continuously marketed its audit services to the in-theater contracting commands and will continue to do so. In addition, DCAA has performed a number of economy and efficiency audits since it established its presence in theater (May 2003). However, during a hearing held before the COWC in May 2009, the DCAA director committed to an increased emphasis on conducting economy and efficiency audits in theater during FY 2009 and FY 2010.

d. Major Initiatives

Description	Due Date	Status
Continue to emphasize DCAA presence to in-theater buying commands	Continuous	On Track
Continue to work with procurement officials prior to major awards (e.g., LOGCAP IV task orders) to ensure applicable audits are sought and conducted	Continuous	On Track
Continue to assess opportunities for conducting economy and efficiency audits in the area of operations and increase emphasis on operations audits during FY 2009 and FY 2010	Continuous since 2003	On Track

5. Greater Accountability in the Use of Subcontractors

The COWC fifth issue of immediate concern is the need for greater accountability in the use of subcontractors. As described in the COWC interim report, "there is a need for greater accountability in the use of subcontractors. Subcontracts account for about 70 percent of the work, but government has very little visibility into their operations."

a. Summary of Commission-Related Observation

The Department has mapped the following COWC observation to this issue:

Observation 21: Subcontractor cost-control management is ineffective.

b. DoD TFWC Evaluation of Observation

The prime contractor is responsible for performance on the contract, regardless of whether it or a subcontractor does the work. DCMA and CORs monitor performance on the contract and do not differentiate between the performance of the prime or a subcontractor. The LOGCAP IV source selection took into account subcontractor management capability.

Contractors are incentivized to control costs, because costs are reviewed twice a month by the government. Cost analyses, regression analyses, and spend plan analyses identify trends and potential cost savings or unanticipated increases that will result in budget variances. DCMA works aggressively with contractors to address such variances. Cost control is included in the award-fee criteria.

1. Good News Stories

- Task Force SAFE is getting results due to the benefits of technical expertise.
- The government is enforcing cost controls on LOGCAP.
- To help with reduced visibility into foreign national subcontractors' books, DCAA has opened new offices in Iraq and Afghanistan.
- The following actions will help resolve issues with inadequate business systems:
  - The Deputy Assistant Secretary of the Army (Procurement) and the Executive Director, Army Contracting Command, will meet with each LOGCAP contractor's senior management to help get the systems fixed. They also jointly signed and issued a letter to each contractor on September 29, 2009; the letter highlights the business systems areas needing attention and states that the Army expects corporate management to maintain business systems that are robust and compliant with regulatory standards.
  - Consistent with acquisition law and regulation, the PCO will place a high degree of reliance on the administrative contracting officer's (ACO's) determination concerning systems' adequacy, but will take into account DCAA findings relevant to the

purchasing system, as well as ACO findings and conclusions concerning those findings.

- The LOGCAP IV source selection took into account subcontractor management capability. The management factor was the most heavily weighted among four factors overall. Subfactor 2 under the management factor was "business systems," which took into account (among other things) the offeror's ability to provide effective contract oversight, as well as to track cost, subcontracts, equipment, personnel, and changes in requirements in a contingency environment. The offeror's management approach to quality control, and subcontract management was also evaluated as part of this subfactor.

2. Challenges

- Seventy percent of LOGCAP work is subcontracted. This will not change until the Theater Commander makes a determination that we are in the sustainment phase; at that point, the work is moved into sustainment or transferred to USAID/host nation support. However, the Army has robust internal controls in place that it uses with its DCMA and DCAA partners to validate subcontractor performance:
  - The LOGCAP III and LOGCAP IV contracts contain FAR clause 52.244-2, Subcontracts. Paragraph (e) of the clause includes a provision requiring the CO's approval before placing certain types of subcontracts. Currently, paragraph (e) states: "(e) If the Contractor has an approved purchasing system, the Contractor nevertheless shall obtain the [CO's] written consent before placing the following subcontracts: Any subcontract with an estimated value equal to or greater than $500,000.00; all Dining Facilities (DFAC) subcontracts; or any subcontract which includes food service operations." (The LOGCAP IV contracts require consent at a $550,000 threshold.) On LOGCAP IV, the Department is in the process of a related clause modification, adding a list of "team partners" to the clause. If pricing deviates during the contract period of performance by more than the Consumer Price Index, then the contractor will have to support the reasons for the increased cost to DCMA under the clause. (The Department is currently in discussions with DCMA regarding the language.)
  - DCMA/CORs monitor performance on the contract and do not differentiate between the performance of the prime or a subcontractor. The prime is responsible for performance on the contract regardless of who (prime or subcontractor) does the work.
  - Under LOGCAP III, KBR submits cost reports twice each month. Those cost reports include subcontract costs. The reports, including subcontract costs, are analyzed and monitored by the LOGCAP program and contracting offices in Rock Island, and in theater by the support contractor, as well as DCMA. Cost analysis, regression analysis, and spend plan analysis are conducted to identify trends and potential cost savings or unanticipated increases that will result in budget variances. In biweekly meetings between the ACO and KBR, variances between budgeted and actual cost are reviewed, and KBR must answer ACO's questions concerning significant or unplanned variances. Cost control is included in the award-fee criteria and, therefore, is evaluated in the monthly performance evaluation boards. Consequently, failure to

adequately account for variances during the biweekly meetings is reflected in the boards' scores. In addition, DCMA monitors the use of subcontracts by verifying the requirement in theater, after which the ACO in the DCMA corporate office reviews and provides a formal consent to subcontract. LOGCAP IV is in the process of instituting cost variance analysis reporting.

- The large number of foreign national subcontractors reduces visibility into their books, due to lack of privity.
- Inadequate business systems are common.

3. Evaluation Score

Evaluation: Observation 21	
●	✚
Challenges	**Proactive**

The Department is monitoring LOGCAP and taking steps to protect the government and the soldier. However, the increased focus on subcontractors is relatively new—driven by a March 2009 OSD Peer Review of the LOGCAP IV contracts. The TFWC is rating this yellow until a complete award-fee cycle demonstrates the effectiveness of this approach. Because subcontractor performance has been measured throughout the life of the LOGCAP III and IV contracts—chiefly through prime contract performance indicators—the contracting office and LOGCAP Program Office has been proactive.

4. Major Initiatives

Description	Due Date	Status
Enforce cost controls on LOGCAP by monitoring cost trends twice a month, considering cost control under award-fee criteria, and consenting to subcontracting requirements in the contracts	NA	On Track
Continue work of Task Force SAFE	NA	On track
Deny private security costs	2009	Complete
Obtain DCMA approval of LOGCAP contractor business systems	Mid 2010	On Track
Complete Iraq CLSS/TTM acquisition	November 2009	On track
Have the Deputy Assistant Secretary of the Army for Procurement and ACC Executive Director meet with LOGCAP contractor senior management on business system issues	Late 2009	On track

6. Proper Transition of Lessons Learned in Iraq to Afghanistan

The COWC sixth issue of immediate concern is the proper transition of lessons learned in Iraq to Afghanistan. As described in the COWC interim report, "the effectiveness of contractor support of expanded U.S. operations in Afghanistan is compromised by the failure to extract and apply lessons learned from Iraq, particularly those about poor coordination among agencies."

a. Summary of Commission-Related Observations

The Department has mapped the following COWC observations to this issue:

Observation 8: Contingency contracting lessons learned are not shared effectively.

Observation 34: Far-flung bases and rotating units exacerbate the property management problem in Afghanistan

b. DoD TFWC Evaluation of Observations

Numerous lessons learned and best practices are being generated, reviewed, and implemented in Iraq and exported to Afghanistan in order to improve contracting and contractor management throughout CENTCOM's theater of operation. A tremendous effort continues to correct deficiencies and apply the lessons learned wherever they are found.

1. Good News Stories

- The CONOC and ACOD are structures initially stood up in Iraq and evaluated for implementation in Afghanistan. Both are being implemented based on lessons learned in Iraq. The CONOC is embedded in the Tactical Operations Center to control the movement of armed contractors throughout the Joint Force Commander's battle space. The ACOD investigates PSC incidents, gathers information, and advises the Commander.
- The genesis of the Combined Joint Logistics Procurement Support Board–Afghanistan (CJLPSB-A) was Iraq's successful JLPSB. The CJLPSB-A includes Service, coalition, and interagency representation to ensure appropriate coordination and prioritization of logistics and contract management programs. In addition, the original establishment of the JCC-I/A and the granting of TBC was a positive response to the issues raised for better synchronization and efficiency of in-theater contracting. The concept of transitioning JCC-I/A to a Joint Theater Support Contracting Command (JTSCC) addresses the lessons learned for better management of contracting requirements.
- JCC-I/A continues to apply acquisition strategies that are moving away from use of LOGCAP in Iraq and toward more firm-fixed-price competitive contract awards. This includes theater-wide strategies and a means to reduce reliance upon LOGCAP services where it makes sense to switch, as well as to fully utilize host-nation labor. Information Operations and Static Security indefinite delivery/indefinite quantity, host nation trucking, and military working dog contracts are examples of these theater-wide strategies.

- JCC-I/A is continuing to improve its processes by maximizing "reach-back" contracting, leveraging Rock Island Arsenal for those contracts that are complex, are resource intensive, and require a detailed source selection process. This allows the COs on the ground to pay attention to more tactical, day-to-day issues. JCC-I/A has executed $1.2 billion in contracts via reach-back, with $500 million in work. This effort has been included in Afghanistan's standard operating procedures.
- Considering previous challenges raised in Iraq, the Department is developing cASM, an automated requirements-generation process (computer/automated system and tool) to help the warfighter write SOWs and PWSs in Iraq and Afghanistan.
- JCC-I/A found that teaming with the Procurement Fraud Task Force, which includes the U.S. Army Criminal Investigation Command and the Federal Bureau of Investigation, is an effective way to combat fraud and corruption. This same teaming arrangement has been established in Afghanistan.
- A memorandum of agreement established in December 2007 between DoS and DoD on U.S. Government PSCs served as the blueprint for a similar memorandum of understanding in July 2008 between DoS, DoD, and USAID relating to contracting in Iraq and Afghanistan.
- Due to an initial shortfall in contracting resources in Afghanistan, the JCC-I/A commander was able to divert COs (prior to the surge) from Iraq to Afghanistan to ensure the most efficient coverage of contracting requirements. The standing up of the JCC-I/A as a command with the inherent operational control of its COs allowed this to occur.

2. Challenges

- Theater locations often lack Internet bandwidth.
- Time in theater to spend on lessons learned is minimal during normal operations tempo.
- Afghanistan is not the same as Iraq; thus, lessons learned from Iraq may not be easily applied in Afghanistan.

3. Evaluation Score

Evaluation: Observations 8 and 34	
●	✚
Challenges	**Proactive**

The COWC interim report correctly points out that the Department has taken a number of steps to promulgate contingency contracting lessons learned from Iraq but faces a number of challenges, including lack of Internet bandwidth and the high operational tempo in Afghanistan. The Department concurs with this assessment and is currently mitigating the risks associated with these challenges.

4. Major Initiatives

Description	Due Date	Status
Establish CJLPSB in Afghanistan	March 2009	Complete
Establish ACOD in Afghanistan	February 2009	Complete
Synchronize OCS for more countries that are supporting Operation Enduring Freedom and Operation Iraqi Freedom	Ongoing	On Track
Achieve JTSCC initial operating capability	October 2010	On Track
Develop and field the cASM	March 2010	On Track
Evaluate CONOC for a possible future structure	January 2010	On Track

7. Establishment of a Contracting Command in Afghanistan

The seventh issue of immediate concern is the establishment of a contracting command in Afghanistan. As described in the COWC interim report, "the Department of Defense should accelerate its plans to establish a contracting command in Afghanistan. The troop surge in Afghanistan demands that contracting oversight be conducted in-country rather than from Iraq, which is currently the case."

a. Summary of Commission-Related Observations

The Department has determined that the seventh issue of immediate concern is a general topic and has not mapped any specific COWC observations to this issue.

b. DoD TFWC Evaluation of Observations

1. Good News Stories

- The Joint Contracting Command oversees contracting in both Iraq and Afghanistan. The General Officer/Flag Officer commander billet is filled by Army, Navy, and Air Force Service components on a rotating basis. Currently, an Army brigadier general fills the billet (the Army recently has nominated this individual for appointment to the rank of lieutenant general). Although JCC-I/A is a subordinate command under MNF-I, the command oversees contracting in both Combined Joint Operational Areas (CJOAs) while physically located in Iraq. The JCC-I/A commander is engaged with USFOR-A and frequently travels to Afghanistan to meet with the PARC-A. In addition, the JCC-I/A commander has embedded a deputy commander on the USFOR-A staff. The PARC-A and the deputy commander are O-6 positions. CENTCOM's ongoing initiative, stand-up of the JTSCC, will provide a more balanced focus on contract management to both CJOAs and to a larger portion of CENTCOM's AOR.
- The JCC-I/A commander exercises operational control of most contracting forces within Iraq and Afghanistan. Operational control gives the commander flexibility to reposition contracting forces to where most needed. This authority has been exercised in the past, as forces were repositioned from Iraq to Afghanistan to meet increased requirements for the buildup.
- CENTCOM's analysis of the contracting in Iraq and Afghanistan led to the development of an initiative to transition JCC-I/A to a JTSCC. This would move the contracting command from MNF-I to CENTCOM. Realignment will facilitate a more balanced focus on contracting in the theater and will provide the CENTCOM Commander a centralized contract management organization for a broader portion of the theater. This initiative captures the lessons learned and successes of contracting centralized management as experienced from the formation of JCC-I/A and is commensurate to joint doctrine and the emerging OCS concept of operations. A diverse workgroup—consisting of representatives from OSD, the Joint Staff, Service Components, Army Contracting Command, MNF-I, USFOR-A, and JCC-I/A—has been developing this initiative since

September 2008. A decision brief to the CENTCOM Commander recommended approval to transition JCC-I/A to a JTSCC in the March–October 2010 time frame.

2. Challenges

None.

3. Evaluation Score

Evaluation: Issue 7 Overall	
●	✚
On Track	**Proactive**

JCC-I/A and its subordinate PARC-A were vested with responsibility for contracting in Afghanistan prior to COWC's interim report. The Department believes COWC may have identified a need for a contracting command in Afghanistan as the result of a misperception based on command and control issues. (The JCC resides in Iraq and has a reporting relationship to MNF-I.) CENTCOM's plans to establish a JTSCC, reporting directly to CENTCOM, with separate subordinate contracting commands in Iraq and Afghanistan will provide for better command and control, as well as alignment of functions and responsibilities.

4. Major Initiatives

Description	Due Date	Status
Begin exploration of JTSCC concept	December 2008	Complete
Issue MNF-I decision on JTSCC implementation	October 2009	Complete
Issue CENTCOM order on JCC-I/A transition to JTSCC	December 2009	On Track
Complete JTSCC headquarters transition	March–October 2010	On Track
Achieve JTSCC initial operating capability	October 2010	On Track
Staff MOA for JTSCC	December 2010	On Track
Expand contracting assets for Afghanistan AOR through out-of-cycle JMD update and Request for Forces (RFF) 989 Mod 1	December 2010	On Track
Work with JCC-I/A to ensure implementation of DoD contracting policies and instructions	Ongoing	On Track

8. Proper Training and Equipping of Security Contractors

The eighth issue of immediate concern is the need for proper training and equipping of security contractors. As described in the COWC interim report, "the Department of Defense should take immediate steps to ensure that contractors providing security for our operating bases are well trained and equipped to provide strong force protection to our military."

a. Summary of Commission-Related Observations

The Department has mapped the following COWC observations to this issue:

- Observation 35: PSC incidents initiated reform.
- Observation 36: Legislative remedies are improving security contract management.
- Observation 37: There has been a significant decline in use-of-force incidents.
- Observation 38: The government must ensure that security contractor source selection under multiple-award IDIQ contracts is truly based on best-value analysis.
- Observation 39: Legal accountability for security contractors remains unresolved in Iraq.
- Observation 42: Inconsistent rules of engagement and use of force impact security posture.
- Observation 43: Management of the ACOD poses potential conflict of interest.
- Observation 44: Oversight of contractor weapons possession requires enhancement.

b. DoD TFWC Evaluation of Observations

The Department of Defense contracts with private security companies to protect personnel, facilities, and activities against criminal activity, including individual acts of terrorism. The primary role of the armed forces is combat: close with and destroy enemy armed forces through firepower, maneuver, and shock action. Defense of military personnel and activities against organized attack is a military responsibility. Rules of engagement, defining the criteria for combat, and the rules for the use of force, defining the use of lethal forces in regard to civilians, acknowledge these differences and ensure compliance with U.S. and host-nation law. Beginning in 2004, DoD has continually reviewed its policy regarding PSCs and the application of that policy. Where necessary, the Department has adjusted the policy, beginning with publication of DoDI 3020.41[4] in October 2005. The Department also continually reviews regulation and oversight issues, considering anticipated future developments.

1. Good News Stories

- Incidents in Iraq began an overall downward trend with the beginning of 2Q CY 2007, correlating to the effects of the change in strategy in Iraq.

[4] DoD Instruction 3020.41, "Contractor Personnel Authorized to Accompany the U.S. Armed Forces" (October 2005).

- DoD appreciates the legislative support to its efforts in PSC oversight and accountability. Building from the October 2005 edition of DoDI 3020.41 and Sections 862 and 863 of the 2008 NDAA enabled OSD to develop DoDI 3020.50[5] and an interim final rule change to the FAR, giving the revised DoD policy the effect of law and expanding standards, accountability, and oversight beyond DoD contracts.
- Together with DoS, DoD is working with other state representatives, the PSC industry and industry associations, and civil-society organizations to establish international standards and accountability in the training, employment, and oversight of PSC. Such standards will be based on international law, consistent with current U.S. policy, and will support congressional interest in industry-led third-party certification.
- The COWC's interim report indicated areas of possible inconsistencies between DoD and CENTCOM policy and the application of the policy. OSD is in constant communication with CENTCOM and takes immediate corrective action when inconsistencies are found.

2. Challenges

- The lessons learned in Iraq are being applied to Afghanistan, but require significant adaptation to the Afghan environment. The more fragmented nature of the geography, smaller troop levels, and multiple command relationships (e.g., USFOR-A, International Security Assistance Force, NATO) each force particular adaptations and affect the learning curve.
- The COWC's concerns are not limited to Iraq and Afghanistan, but look to possible future contingencies. DoD is working to capture lessons and good practices from current operations for future requirements. However, just as Iraqi lessons do not directly transfer to Afghanistan, it is likely that any success in PSC operations and oversight will require significant adaptation in any future contingency. For this reason, DoD is working toward the acceptance of broad international standards and DoD policies (such as those in DoDD 3020.50) that are significantly flexible to enable commanders to tailor overarching policies to meet specific situations.

3. Individual Observations

Observation 35: PSC incidents initiated reform.
Observation 36: Legislative remedies are improving security contract management.
Observation 37: There has been a significant decline in use-of-force incidents.

a. Good News Stories

- Within DoD, iterative regulation of PSCs—and all contractors accompanying the force—began shortly after the end of major combat operations in Iraq. In the third and fourth quarters of FY 2004, DoD initiated an interagency memorandum on contractor security, calling for many of the features Congress later enacted in the 2008 and 2009 NDAAs.

[5] "Private Security Contractors (PSCs) Operating in Contingency Operations," July 22, 2009, http://www.dtic.mil/whs/directives/corres/pdf/302050p.pdf.

Although DoS did not support implementation of this memorandum, the memorandum became the basis for DoDI 3020.41, published in October 2005. This memorandum established DoD policy and procedures for all contractors accompanying the force, including armed civilians—government employees and contractors alike. Every incident generates a review of applicable directives, instructions, regulations, and orders. Such reviews may result in a recommendation for changes to those documents. Although the incident did not involve DoD contractors, the Defense Department also conducted a similar review after Nisur Square. This review did not indicate that any change was necessary to the existing DoDI 3020.41; however, DoD reminded commanders of their obligations under that instruction. The revisions of the DFARS referenced in the COWC interim report were requested by DoD to codify by law the provisions already existing in DoDI 3020.41. Generally, the DFARS changes mirror the language in that directive.

- As described above, DoD and CENTCOM initiated a series of measures to improve security contract oversight beginning in the summer of 2004. The referenced sections of the NDAA gave DoD and subordinate command initiatives the force of law and required other U.S. government agencies, most notably DoS, to bring their practices into conformity with DoD practices. It also drove transparency into the use of armed contractors by these other government agencies, thereby improving accountability.
- Although use-of-force incidents have declined significantly, the decline in DoS incidents did not begin with Nisur Square. The data in the COWC interim report shows a decreasing incident trend beginning in July 2007, months before the Nisur Square incidents. DoS PSC incidents should also be viewed in the perspective of an overall downward trend in incidents and other violence. According to the MNF-I CJ-5 assessments and Significant Activities database, the overall trend for all measures of violence began to decrease in late 2006, with a significant downward trend in security incidents beginning in spring 2007, 4 months before the event at Nisur Square and 8 months before Sections 861 and 862 became law.

b. Challenges

None.

c. Evaluation Score

Evaluation: Observations 35, 36, and 37	
●	✚
On Track	**Proactive**

Although individual incidents still occur, DoD policies maintain effective control and oversight of PSC contracts managed by DoD. Legislation and other congressional action are providing a common framework for managing PSC contracts across the U.S. Government. Therefore, the

Department's actions are on track. The Department began corrective actions in 2005, driving a proactive score.

d. Major Initiatives

Description	Due Date	Status
Publish DoDI 3020.41	October 2005	Completed
Promulgate Monteux document	October 2008	Completed
Staff Interim Final Rule (IFR) government-wide	April 2009	Completed
Publish IFR	July 2009	Completed
Publish DoDI 3020.50 based on IFR	July 2009	Completed
Publish in FAR	2Q FY 2010	On Track
Coordinate on universal standard of conduct for chief executive officers of international private security companies	March 2010	
Publish revised DoDI 3020.41	3Q FY 2010	On Track

Observation 38: The government must ensure that security contractor source selection under multiple-award IDIQ contracts is truly based on best-value analysis.
Observation 39: Legal accountability for security contractors remains unresolved in Iraq.

a. Good News Stories

- Theater Wide Internal Security Services (TWISS) I and TWISS II contracts were awarded using best-value procedures. TWISS I and TWISS II task orders do *not* mandate procedures based on lowest-price technically acceptable (LPTA). TWISS I task orders were awarded using best value with price and past performance as the two factors. The past performance utilized was captured from among the TWISS I awardees. Currently the TWISS II task orders are awarded as LPTA, because no past performance has occurred on TWISS II yet. TWISS II contracts ($485 million program value) were awarded in August 2009, and no protests were received (16 bids submitted).
- Afghanistan is performing analysis to determine is a TWISS contract would be feasible. The Joint Contracting Command-Iraq/Afghanistan has issued a Request for Information to conduct market analysis on this issue.
- Legal accountability for contractors in Iraq is clear. The Iraqi government exercises all sovereign authority over contractors in Iraq. It has demonstrated the resolve and capability to arrest and prosecute. If the Iraqi government chooses not to prosecute, the United States has the ability to press charges through the Military Extraterritorial Jurisdiction Act or the Uniform Code of Military Justice. Charges have been brought against contractors under both of these systems. Concerns regarding legal accountability in future contingencies outside of Iraq and Afghanistan are hypothetical.

b. Challenges

- Contract awards based on the best-value model are often challenged or protested. (As stated above, no protests were filed challenging the TWISS II awards.)
- OSD is looking into reports that some task orders are not in compliance with threshold standards, required waivers because primes did not meet Iraqi legislation, or otherwise contradicted theater policy.

c. Evaluation Score

Evaluation: Observations 38 and 39	
●	✚
On Track	Proactive

TWISS awards in Iraq are based on best value. The TWISS process is moving forward in Afghanistan.

d. Major Initiatives

Description	Due Date	Status
Validate current processes for possible improvement and revision	NA	On Track

Observation 42: Inconsistent rules of engagement and use of force impact security posture.

PSCs are not soldiers and cannot be used as replacements for soldiers. They are civilians, and the use of lethal force by civilians is necessarily different from use of force by members of the armed forces. Soldiers use rules of engagement, which are based on law of war and describe the circumstances and limitations for the military to initiate or continue combat engagement with other forces. Rules for the use of force (RUF) describe the conditions in which deadly force can be applied when performing security duties dealing with civilians, who are protected under the law of armed conflict. RUF are based on human rights law and are subject to civilian legal codes. PSCs guarding facilities, people, and property do not engage in combat against enemy armed forces. Defending installations or activities against attack by a belligerent force is the exclusive responsibility of the military. Rules for the use of force by contract personnel are consistent with DoDD 5210.56, Chairman Joint Chiefs of Staff Instruction 3121.01B, and supporting Service regulations and orders. The commission is concerned, however, that some PSC employees may be reluctant to fire their weapons, even when authorized to do so, for fear of termination.

a. Good News Stories

- DoDI 3020.41, DoDI 3020.50; the Department published an Interim Final Rule in the Federal Register on July 17, 2009, which will procedurally close existing gaps in the oversight of Private Security Contractors, ensure compliance with laws and regulations pertaining to Inherently Governmental functions, and ensure proper performance by armed contractors. The rule also assigns responsibilities and establishes procedures for incident reporting, use of and accountability for equipment, rules for the use of force, and a process for administrative action or the removal, as appropriate, of PSCs and PSC personnel.
- Fear of PSC personnel not using force, even when authorized by the RUF, remains hypothetical. There is no record of a military installation or activity having its security compromised by a failure of PSC employees to exercise appropriate force or restraint.

b. Challenges

- Deployed units may not understand limitations of PSCs under law of armed conflict.

c. Evaluation Score

Evaluation: Observation 42	
●	✚
On Track	**Proactive**

d. Major Initiatives

Description	Due Date	Status
Issue DoDI 3020.50 requiring combatant commanders to develop theater-specific RUF	July 2005	Completed
Issue interim final rule for FAR Part 159, mandating specific weapons qualification and training in RUF and law of armed conflict for all U.S. Government-funded PSC personnel in an area of combat operations	July 2005	Completed
Issue DoDI 3020.41 mandating RUF training for PSC personnel	October 2005	Completed
Prepare Joint Forces Command handbook describing doctrine and best practices for military forces interacting with PSCs	May 2010	Under Revision

Observation 43: Management of the ACOD poses potential conflicts of interest.

The contractor, Aegis, provided administrative functions and subject matter expertise within the ACOD to support the oversight and decision-making authority of the ACOD director and his deputy, who are U.S. military officers. Although the Aegis project manager was referred to as "deputy ACOD," he has not served as deputy ACOD and never had the authority implied by the title deputy. Moreover, the Aegis contractor did not have any official responsibility for oversight of other contractors. There was a deficiency, however, in that the military staff of the ACOD was only operating a 25 percent fill and the contractor staff was providing essential services beyond the contract scope to cover the gap and prevent mission failure.

The JCC-I/A determined that a potential conflict of interest existed, if Aegis were to bid on PSC contracts in Afghanistan while supporting the ACOD. To be proactive, an agreement between JCC-I/A and Aegis agreed on a termination of the ACOD support contract. Even though Aegis, as the contractor that supported the ACOD, did not direct or manage PSC operations in theater, the perception of Aegis having a preferential treatment within the ACOD caused the determination.

a. Good News Stories

- A replacement contractor, World Wide Language Resources, was selected after the Aegis contract was terminated.
- The ACOD director, a military colonel, is now in place.
- The Navy has been directed to supply a Deputy Director (O-5) and an operations officer (O-4).

b. Challenges

- Military ACOD staffing is still 50 percent.

c. Evaluation Score

Evaluation: Observation 43	
●	+
Challenges	**Proactive**

JCC-I/A identified the potential conflict of interest prior to the COWC interim report, yielding the proactive rating. The progress on this initiative is yellow because the military personnel for the ACOD staff are not at designated levels.

d. Major Initiatives

Description	Due Date	Status
Deploy and train military portion of ACOD staff	June 2009	Overdue. Military Staffing 50 percent. No anticipated fill date
Train replacement contractor	September 30, 2009	Overdue

Observation 44: Oversight of contractor weapons possession requires enhancement.

a. Good News Stories

- The commission acknowledges that the written processes regarding weapons authorization are acceptable. The commission's concern regards implementation of those processes in Afghanistan.
- When the commission reviewed the arming procedures, the ACOD military staff consisted of one newly arrived USMC captain (O-3). (In Afghanistan, weapons authorizations for all armed civilians are managed by the ACOD.) An Air Force Colonel is now in place as ACOD Director with better integration with the JOC.

b. Challenges

- ACOD military Staff is only 50 percent.
- Current contractor support has been ordered transferred to another contractor with no experience in such operations (see item 43, above).

c. Evaluation Score

Evaluation: Observation 44	
●	+
Challenges	**Proactive**

ACOD processes were in place and operating successfully under the previous rotation (CJTF 101). Transfer of authority and contractor support created training and experience gaps.

d. Major Initiatives

Description	Due Date	Status
• DoD Instruction 3020.50, PSCs Operating in Contingency Operations • Rules on use of force and processes for recurring training • U.S. Forces–Afghanistan (USFOR-A) operations plan for oversight/management • SPOT Letter of Authorization	NA	Complete
Deploy and train military portion of ACOD staff	June 2009	Overdue. Military Staffing 50 percent. No anticipated fill date
Train replacement contractor	September 30, 2009	Overdue

9. Corrective Actions: Removing Major Challenges

The Department's principal action office for each initiative must remain focused on improving support to overseas contingency operations. At the same time, it is imperative to maintain a strong focus on the initiatives experiencing major challenges. The identified major challenges are tied to two different issues of immediate concern, but all relate to resourcing:

- Issue of Immediate Concern #2, Shortage of Contract Management Personnel in Theater and Training. Initiatives related to this issue face the most major challenges. The Director, Defense Procurement and Acquisition Policy is responsible for working these challenges.

- Issue of Immediate Concern #4, Inadequate Contractor Business Systems. A new subcommittee of the Panel on Contracting Integrity is actively working issues related to contractor business systems. The one major challenge in this area relates to a lack of resources for the Defense Contract Audit Agency. The Director, Defense Contract Audit Agency is responsible for working this major challenge.

Table 6 identifies the observations that are posing a challenge to the Department. The TFWC rated the Department's progress on addressing these observations as "red."

Table 6. Summary of Initiatives with Major Challenges

COWC Issue of Immediate Concern	COWC Observation	Responsible Senior Leader	DoD Impetus	DoD Progress
2	Despite the acquisition communities' shared recognition of the importance of CORs in the contract management process, there are often inadequate numbers of qualified CORs assigned to contractor oversight in Iraq and Afghanistan. (Observation 2, COWC report page 9)	Director, DPAP	✓	Major Challenges
2	COR appointments are not increasing with the requirements. (Observation 3, COWC report page 10)	Director, DPAP	✓	Major Challenges
2	Lack of CORs is particularly acute for LOGCAP. (Observation 23, COWC report page 42)	Director, DPAP	✚	Major Challenges
2	Understaffing severely impedes efficient and effective execution of the logistics mission. (Observation 32, COWC report page 57)	Director, DPAP	✚	Major Challenges
2	More logistics subject-matter experts are needed. (Observation 24, COWC report page 43)	Director, DPAP	✚	Major Challenges
4	Lack of resources within DCAA is a significant factor contributing to ineffective audit coverage. (Observation 5, COWC report page 13)	Director, DCAA	✚	Major Challenges

Below, we identify the actions that the Department will take to remove the major challenges.

A. Issue of Immediate Concern 2: Shortage of Contract Management Personnel in Theater and Training

Initiatives related to Issue of Immediate Concern 2 face the most major challenges. The Director, DPAP is responsible for working these challenges.

Table 7 summarizes DoD's evaluation of the COR-related observations facing major challenges. Each observation is addressed individually in the subsections following the table.

Table 7. Summary of Department's Analysis of COR-Related Observations Facing Major Challenges

COWC Observation	Topic	Department's Evaluation
Observation 2: Despite the acquisition communities' shared recognition of the importance of CORs in the contract management process, there are often inadequate numbers of qualified CORs assigned to contractor oversight in Iraq and Afghanistan.	Resourcing	The number of adequate/trained CORs to support effective contract oversight is a recognized issue within the Department. Multitude efforts are underway to improve planning, resourcing, training and support of CORs tasked to oversee contracts.
Observation 3: COR appointments are not increasing with the requirements.	Resourcing	It is particularly a challenge in Afghanistan as counterinsurgency efforts ramp up, requiring a rapid increase in logistics and support services.
Observation 23: Lack of CORs is particularly acute for LOGCAP.	Resourcing	DCMA tracks the status of LOGCAP CORs required and assigned, which is shared with LOGCAP leaders and operational community. These metrics have identified, by location, COR shortages for LOGCAP requirements. The shortages are being addressed.
Observation 32: Understaffing severely impedes efficient and effective execution of the logistics mission.	Resourcing	DCMA has identified and tracks biweekly COR shortages for contracts they administer and is working with the deployed leadership/staff, deployed units, USD(AT&L), Services, and LOGCAP Directorate to fill them.
Observation 24: More logistics SMEs are needed.	Resourcing	DCMA has identified SME shortages and the Department is working to secure the correct number/skill set of SMEs to support administration of these vital support contracts.
Observation 25: Other oversight staffing shortages also exist.	Resourcing	In addition to CCOs, the TFA examined key contracting enablers such as PAs, QARs, and CORs. These specialties are being addressed over and above the CCO manning.

Observation 2: Despite the acquisition communities' shared recognition of the importance of CORs in the acquisition management process, there are often inadequate numbers of qualified CORs assigned to contractor oversight in Iraq and Afghanistan.
Observation 3: COR appointments are not increasing with requirements.

a. Good News Stories

- DCMA biweekly metrics track COR requirements against CORs assigned by individual location. These metrics are shared across operational, acquisition, and deployed command communities.
- Immediate, near-term, and long-term efforts are underway, demonstrating the Department's recognition of the importance of CORs:
  - Immediate efforts. Just-in-time training is taking place across the board, including JCC-I/A, DCMA-International, and ACC. FRAGOs and standard operating procedures in both theaters require a ready COR at or prior to award. Engagement with the operational leadership occurs early and often. Acquisition and operational leaders generally recognize that resolving the COR issue is important to the execution of the overall mission and requires a concerted effort.
  - Near-term efforts. Existing and new COR policies and guidance—e.g., pending Army COR policy to plan for, track, resource, and train sufficient CORs; Marine Corps and DAU partnership to train Marine Expeditionary Force CORs; existing Air Force Quality Assurance Evaluator Program; and theater-level FRAGOs and policies—address planning for the numbers of CORs required and for training in advance of deployment.
  - Long-term efforts. The Section 813 panel is planning a DoDI on COR certification standards, DAU is revising its courses, OSD is developing a joint COR handbook, and OSD is developing a Department-wide COR tracking tool.

b. Challenges

- Speed of the Afghanistan build-up has made assigning CORs difficult.
- Personnel assigned COR responsibilities must balance those responsibilities with their primary unit responsibilities.
- A sizable share of installation management COR personnel are civilians or cannot be deployed.
- Unless the Department operationalizes COR requirements/unit readiness as a priority, shortfalls will remain.

c. Evaluation Score

Evaluation: Observations 2 and 3	
●	✓
Major Challenges	**Reactive**

The Department has considerable efforts ongoing to resource and train enough CORs. In Iraq, nearly 100 percent of JCC-I/A contracts have CORs assigned and DCMA-managed contracts are at 87 percent COR staffing. However, the TFWC rated these observations red because of the Department's inability to resource CORs in Afghanistan to meet immediate warfighter needs and because the shortfalls are for positions critical to the well being and capability of the fielded forces. Until the Afghanistan numbers hit the 85 percent goal, this area will remain red.

Although the Services have been working on the COR training and resourcing issues for some time, tracking CORs required versus assigned metrics began at the OSD level just recently. This was driven by the buildup in Afghanistan that produced a declining percentage of CORs assigned in that theater. Therefore, this area is rated reactive.

d. Major Initiatives

The tasks outlined below, combined with continued senior leadership support to fill current COR demands in Afghanistan, will move this rating from red to green by FY 2011.

Description	Due Date	Status
Implement recommendations of Subcommittee 6 of the Section 813 panel, and establish COR certification standard to ensure CORs are prepared to a common knowledge level to meet expectations	4Q CY 2009	On Track
Provide added Army QARs for contract oversight over FYDP	2012	On Track
Implement Army COR planning factor/unit readiness policy to identify the estimated number of CORs required by unit	November 13, 2009	On Track
Identify and secure CORs and training prior to deployment to ensure an available cadre for future deployments	December 15, 2009	New
Examine/leverage Army policy across Services to measure deploying unit readiness to support COR requirements	February 15, 2010	New

Observation 23: Lack of CORs is particularly acute for LOGCAP.
Observation 32: Understaffing severely impedes efficiency and effectiveness of the logistics mission (LOGCAP CORs).

a. Good News Stories

- LOGCAP has increased its emphasis on COR in-theater selection and training.
- LOGCAP is proactive in COR exercises.
- LOGCAP is partnering with DCMA to increase contract management and oversight, using CORs as the Department's eyes and ears.

b. Challenges

- COR selection and certification processes are not commensurate with requirements generation.
- COR training can be difficult due to lack of bandwidth.
- Services that use a stateside installation management approach (such as the Army's Installation Management Command, or IMCOM) are not well positioned to provide facility management CORs for Forward Operating Bases because the stateside personnel with the necessary expertise are civilians who cannot be deployed as easily as military personnel can.

c. Evaluation Score

Evaluation: Observations 23 and 32	
●	✚
Major Challenges	**Proactive**

The TFWC scored this area red because only 59 percent of the CORs have been provided to date in Afghanistan. After the Department reaches 70 percent fulfillment, the score will change to yellow. After 90 percent, the score will change to green. The TFWC scored this proactive because policy has been in place since February 2009.

d. Major Initiatives

Description	Due Date	Status
LOGCAP/DCMA assist in recruiting and training of CORs	February 2010	On Track
Continue assisting requirement activity with COR recruiting	February 2010	On Track
Implement final Army-wide COR policy	November 2009	On Track

Observation 24: More logistics subject-matter experts are needed.

a. Good News Stories

- DCMA has recognized a shortfall in technical/subject-matter experts and, on March 10, 2009, requested 57 SMEs via a Joint Manning Document (JMD) to the Services for food, water, medical, fire, and petroleum services.
- CCAS envisions the Services providing postaward oversight during which functional experts are developed, aligning the mission with the resources. Services train and equip the functional experts being requested by DCMA to administer the Services' contracted requirements. Shifting postaward oversight to the Services will align the mission need with the Services that have the functional experts to provide this oversight.
- DCMA wrote 38 civilian position descriptions. It has advertised for volunteers via the CEW website to leverage civilian experts/volunteers to fill these important contract oversight functions.
- DCMA is in the process of further defining a requirements package for SMEs, to enable the Department to pursue additional avenues to fulfill the open requirements for SMEs. They are also exploring the use of Guard, Reserve, and contractor support as a potential solution set for the SME shortfall.

b. Challenges

- Only 40 of 57 SMEs have been sourced due to the direct engagement of Joint Staff J4, and DCMA working with Service leadership; specifically, the Air Force sourced 13 firefighting and 6 petroleum SMEs. Recently, an additional 21 were approved for sourcing, leaving 17 requirements yet to be sourced.

c. Evaluation Score

Evaluation: Observation 24	
●	✚
Major Challenges	**Proactive**

This initiative is proactive because DCMA recognized the need for SMEs to provide effective oversight on these specialized services and submitted the request on March 10, 2009. However, there are major challenges to filling the vacancies, and the rating will remain red until the remaining 17 vacancies are sourced.

d. Major Initiatives

Description	Due Date	Status
Identify need for SMEs	March 2009	Complete
Source 17 Remaining SME vacancies	December 11, 2009	On Track
Implement a CCAS solution to align SMEs to mission topic	October 2010	On Track
Advertise and secure as many civilian volunteers as possible by leveraging CEW to fill vacancies	December 2009	On Track

B. Issue of Immediate Concern 4: Adequacy of Contractor Business Systems

The Director, DCAA is responsible for working the one major challenge identified in Issue of Immediate Concern 4. The specific observation that is experiencing a major challenge relates to lack of resources within DCAA.

Although DCAA has committed to placing additional emphasis on business system audits of contractors' performing in the area of operations, DCAA continues to be significantly understaffed agency wide. DCAA prepares an annual agency-wide, risk-based contract audit requirements plan and must prioritize its workload based on available staffing. During FY 2010, available resources dictate that only 65 percent of audit requirements will be completed. For FY 2011 to FY 2015, DCAA has submitted an above-guidance request for additional funds. DCAA's staffing issue will move from red (major challenges) to yellow (challenges) as it obtains additional staffing through the Defense Acquisition Workforce Development Fund in FY 2010. Movement to green (on track) will require additional appropriated funds through the above guidance request.

Observation 5: Lack of resources within DCAA is a significant factor contributing to ineffective audit coverage.

a. Good News Stories

- Contingency operations are DCAA's top priority and will remain fully staffed.
- A total of 23 DCAA auditors are within the area of operations (Iraq, Kuwait, and Afghanistan); more will be added as necessary.
- DCAA recently announced its intent to open another field audit office to be located in Afghanistan to support the increase in workload. This action will increase its presence from 7 auditors (up from 4 as noted in the COWC interim report) to a total of 17.
- The Defense Acquisition Workforce Fund has allowed DCAA to bring on board 300 additional personnel in 2009, with plans for adding 200 more in both 2010 and 2011.

b. Challenges

- DCAA continues to be significantly understaffed, which precludes it from satisfying its overall audit requirements.
- DCAA faces challenges in obtaining space and support (e.g., secure Internet/VPN service, housing, transportation, and workspace) to accommodate expanding DCAA operations and personnel in the area of operations; however, during the last Executive Steering Committee meeting, JCC-I/A stated they would work with DCAA to obtain additional space.

c. Evaluation Score

Evaluation: Observation 5	
●	✚
Major Challenges	**Proactive**

DCAA performs an annual agency-wide risk-based contract audit requirements plan. DCAA is required to establish audit priorities based on its authorized staffing. During FY 2010, available resources within DCAA dictate that only 65 percent of audit requirements will be performed.

d. Major Initiatives

Description	Due Date	Status
Assess area of operations audit requirements and increase staffing as needed	Continuous since May 2003	NA
Assess agency requirements/staffing and prioritize workload for the coming year's program plan	Annually (August)	Completed for 2010
Seek funding for additional staffing, working to resolve agency-wide staffing shortages through the Comptroller	Annually	On Track

C. Way Forward on Resourcing

The Department is embarking on the first significant growth in the acquisition workforce since the military build-up in the 1980s and the downsizing that occurred during the 1990s. The Defense acquisition workforce is critical for supporting our expeditionary and emergency acquisition missions. A mismatch exists between the demands placed on the acquisition workforce and the personnel and skills available within that workforce to meet those demands. In 2001, the Defense Department spent $138 billion on contracts, and in 2008 spending reached $396 billion -- $202 billion of it was for services. During this period, the size of the organic

Defense acquisition workforce (civilian and military) remained relatively flat while dollars spent on contracting actions over $25,000 more than doubled. Additionally, there was also a significant increase in use of contractor support personnel.

On April 6, 2009, the Secretary of Defense announced his intention to significantly improve the capability and capacity of the Defense acquisition workforce by increasing the size of the workforce by 20,000 through fiscal year 2015. This will restore the organic acquisition workforce to its 1998 levels of approximately 147,000 and address long-standing shortfalls in the Defense acquisition workforce. The Secretary's initiative is the cornerstone human capital strategy for revitalizing the defense acquisition workforce.

This DoD growth strategy directly supports the President's March 4, 2009 memorandum's objective to ensure the acquisition workforce has the capacity and ability to develop, manage, and oversee acquisitions appropriately. The objective is straightforward: to ensure DoD has the right acquisition capability and capacity to produce best value for the American taxpayer and for the soldiers, sailors, airmen and marines who depend on the weapons, products and services we buy.

The strategy increases the size of the acquisition workforce by 15 percent—20,000 through fiscal year 2015. As an integral part of this strategy, the Department will convert approximately 10,000 contractor support positions to full-time government employee positions. This will create a better balance between our government workforce and contractor support personnel and ensure that critical and inherently governmental functions are performed by government employees.

The Department’s strategy will increase and improve the Department's oversight capabilities, thereby ensuring we get what we pay for; ferret out waste, and assist in combating contract fraud. Increases to our contracting and contract oversight workforce are underway, to include the Defense Contract Management Agency and the Defense Contract Audit Agency. We will also increase our organic acquisition management capability by increasing and developing the number of program managers, systems engineers, and other acquisition professionals. This will include critical professionals such as our competition advocates and small business specialists. The Components have done extensive bottoms up planning and have started deployment of growth hiring and other workforce initiatives that support the Secretary’s strategy.

An important element of workforce success is employee satisfaction and motivation. Through the Defense Acquisition Workforce Development Fund, we have numerous initiatives under way that will improve the employee value proposition for our acquisition professionals and the attractiveness of an acquisition career. These initiatives include deliberately improving the technical and leadership capability of our military and civilians. We will also improve our employee recognition programs by expanding awards for top performing exceptional individuals. These initiatives directly support the recognition objective established in the FY2009 Acquisition Reform Act.

Section III. Overview of Ancillary Observations Identified by the Commission on Wartime Contracting in Iraq and Afghanistan

This section provides an overview of the ancillary observations in the COWC's interim report. The 20 ancillary observations fall into four broad categories (or focus areas) outside the eight issues of immediate concern:

- Inherently governmental (2 observations)
- Operational contract support (3 observations)
- Oversight community (4 observations)
- Reconstruction (11 observations).

Table 8 lists the 20 observations, the interim report chapter in which they appear, the related focus area, and the PAO working the issue.

Table 8. 20 Ancillary Observations Raised in the COWC Interim Report

COWC Observation	COWC Chapter	COWC Page	Focus Area	Example of Topics Covered by COWC Observation	DoD PAO
Complete and accurate numbers for contractor support in Southwest Asia are unavailable. (Observation 7)	Chapter 1: Management and Accountability	16	Operational contract support	Data on contractor support come from SPOT, CENTCOM Quarterly Census. But during COWC theater visit, officials highlighted the lack of a central list of all contracts.	ADUSD(PS)
Outsourcing increases the risk of contractors performing inherently governmental functions. (Observation 9)	Chapter 1: Management and Accountability	19	Inherently governmental	The increase in service contracting creates a need to define specific functions, especially those related to reconstruction, that are not appropriate for performance by contractors in a contingency operation.	USD(P&R)
Guidance for defining inherently governmental functions is inadequate. (Observation 10)	Chapter 1: Management and Accountability	20	Inherently governmental	Office of Management and Budget is developing a single, consistent definition for "inherently governmental."	USD(P&R)
Contractor support has become critical to contingency mission success. (Observation 11)	Chapter 1: Management and Accountability	20	Operational contract support	The U.S. military has long relied on contractors to support wartime activities. But we have shifted to heavy reliance and DoD lacks staff to provide adequate contract oversight.	J-4
Identification of essential contractor support services is ineffective. (Observation 12)	Chapter 1: Management and Accountability	22	Operational contract support	DoD recognizes the importance of ensuring continuity of essential services (e.g., DoDI 3020.37) but has done little to identify those services or develop backup plans should contractors become unavailable. The JCS task force is assessing dependence on contractor support.	ADUSD(PS)

Table 8. 20 Ancillary Observations Raised in the COWC Interim Report

COWC Observation	COWC Chapter	COWC Page	Focus Area	Example of Topics Covered by COWC Observation	DoD PAO
Failure to align contingency missions and resources created the need for special investigations. (Observation 13)	Chapter 1: Management and Accountability	23	Oversight community	Cost of SIGIR, SIGAR investigations would be less if government had committed adequate resources to contract management and oversight.	DPAP
Agencies have not fully implemented prior recommendations. (Observation 14)	Chapter 1: Management and Accountability	24	Oversight community	COWC reviewed over 500 oversight agency reports. COWC is assessing the status of recommendations and notes some recommendations have been made repeatedly.	DPAP
Contract auditors are not employed effectively in theater. (Observation 17)	Chapter 1: Management and Accountability	28	Oversight community	Contracting officers are not making effective use of DCAA resources in I/A, despite the high value of such services.	DPAP
Many contract audit findings and recommendations are not properly resolved. (Observation 20)	Chapter 1: Management and Accountability	32	Oversight community	Contracting officers do not always adequately justify and document departures from auditor findings.	DPAP
Security contractor oversight in Afghanistan does not reflect lessons learned in Iraq. (Observation 45)	Chapter 4: Reconstruction	76	Reconstruction	Differences in security contractor management in Iraq and Afghanistan will be monitored by COWC in coming months.	ADUSD(PS)
Systemic management issues have impeded the execution of reconstruction programs, contributing significantly to reduced program effectiveness and increased potential for fraud, waste, and abuse. (Observation 46)	Chapter 4: Reconstruction	79	Reconstruction	Audit and agency reports have identified concerns with executing reconstruction programs, including: lack of qualified program and contract management personnel, lack of management infrastructure, need to coordinate with host country, and implementation difficulty in insecure environment.	USD(Policy)
Reconstruction efforts must be accompanied by stabilization planning. (Observation 47)	Chapter 4: Reconstruction	80	Reconstruction	DoDD 3000.05 declares stability operations are a core U.S. military mission. DoS was assigned lead. Sufficient funding and staffing are needed to carry out reconstruction.	USD(Policy)
Developing a more definitive assessment of the lessons learned from reconstruction contracting in Iraq, keeping in view the expanding efforts of Afghanistan, to can help to avoid repeating the Iraq reconstruction waste of up to $5 billion. (Observation 48)	Chapter 4: Reconstruction	81	Reconstruction	Reconstruction in Iraq relied on large IDIQ contracts for industrial and public works infrastructure rebuilding. These projects have been beset by delays, cost overruns, and substandard construction. COWC will develop a more definitive assessment of lessons learned from Iraq reconstruction to help with Afghan buildup.	USD(Policy)

Table 8. 20 Ancillary Observations Raised in the COWC Interim Report

COWC Observation	COWC Chapter	COWC Page	Focus Area	Example of Topics Covered by COWC Observation	DoD PAO
With capacity building, it is important to ensure the rush to "do something quickly" in contingency environments does not give short shrift to local buy-in and maintenance, ultimately undermining sustainability. (Observation 49)	Chapter 4: Reconstruction	81	Reconstruction	SIGIR believes the biggest source of waste in Iraq reconstruction contracting may be sustainability failure (Iraqi climate, social institutions, and governmental factors should be considered), making a transition agreement elusive.	USD(Policy)
In Afghanistan, although officials are aware of lessons learned, programs need more rigorous examination and activities to ensure sustainability, including sound metrics and oversight from the beginning of projects through completion. (Observation 50)	Chapter 4: Reconstruction	82	Reconstruction	Lack of oversight and inappropriate success measures negatively impact reconstruction/ capacity-building contracts in Iraq and Afghanistan. USAID is the major focus, but everyone involved (including DoD, through CERP projects) must be part of the process.	USD(Policy)
To leverage funding and attain synergy of effort, effective international coordination and cooperation in wartime and post-conflict reconstruction, stabilization, and development is imperative to prevent the duplication and waste that resulted in Iraq. (Observation 51)	Chapter 4: Reconstruction	83	Reconstruction	Effective international coordination and cooperation in wartime and post-conflict reconstruction is imperative. A central node for coordinating with non-U.S. reconstruction entities is needed.	USD(Policy)
The CERP in Iraq and Afghanistan is seen as a prized asset and a powerful tool; but CERP projects and programs need proper planning, coordination, and oversight. (Observation 52)	Chapter 4: Reconstruction	85	Reconstruction	Lack of interagency and host-country coordination on reconstruction projects is a serious problem and needs to be addressed. CERP is valued for being nimble and quick, but COWC is examining it to ensure fraud and abuse is not occurring.	USD(Policy)

Table 8. 20 Ancillary Observations Raised in the COWC Interim Report

COWC Observation	COWC Chapter	COWC Page	Focus Area	Example of Topics Covered by COWC Observation	DoD PAO
New incentives will likely be needed to resolve problems of provincial reconstruction teams. (Observation 53)	Chapter 4: Reconstruction	87	Reconstruction	PRTs support local projects that could not be implemented from the capitals. The PRT presence/ scope in Iraq will be affected by redeployment; the PRT scope in Afghanistan is growing with the buildup. Personnel gaps for PRTs exist; if they persist, agencies may look to contracting to increase civilian presence. But COWC is concerned that new incentives are needed to address long-term personnel needs, and plans to make recommendations.	Policy
USAID needs more subject-matter experts to coordinate with nongovernmental organizations and oversee grantees and contractors. (Observation 54)	Chapter 4: Reconstruction	88	Reconstruction	USAID Inspector General identified concerns with security, inadequate contractor oversight, noncompliance with contractual procedures, and faulty or incomplete performance data. COWC is examining USAID programmed contractor support costs, which seem high and raise questions of effectiveness and waste.	NA - USAID
A major factor in the growth of reconstruction contract security costs has been the lack of recognition that these costs need to be tracked. (Observation 55)	Chapter 4: Reconstruction	90	Reconstruction	A mandatory contract line-item breakout of security costs would help identify reconstruction contracting costs related to security. Tracking these costs would enable cost realism analysis and cost-benefit tradeoffs.	Policy

Notes: P&R = Under Secretary of Defense for Personnel and Readiness, SIGAR = Special Inspector General for Afghanistan Reconstruction, and SIGIR = Special Inspector General for Iraq Reconstruction.

Appendix A. Department of Defense Memorandum Establishing Task Force on Wartime Contracting in Iraq and Afghanistan

THE UNDER SECRETARY OF DEFENSE
3010 DEFENSE PENTAGON
WASHINGTON, DC 20301-3010

ACQUISITION, TECHNOLOGY AND LOGISTICS

JUL 2 6 2009

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
CHAIRMAN OF THE JOINT CHIEFS OF STAFF
DIRECTORS OF THE DEFENSE AGENCIES
PRESIDENT, DEFENSE ACQUISITION UNIVERSITY

SUBJECT: Task Force on Wartime Contracting in Iraq and Afghanistan

The Secretary of Defense has directed me to establish a DoD Task Force on Wartime Contracting in Iraq and Afghanistan. The Director, Defense Procurement and Acquisition Policy, shall chair the Task Force. The Senior Procurement Executive of the Department of the Army shall serve as the vice-chair.

The Task Force shall evaluate the June 10, 2009, interim report of the Commission on Wartime Contracting in Iraq and Afghanistan, with particular focus on the interim report's Issues of Immediate Concern: (1) Risk associated with drawdown of troops in Iraq; (2) Shortage of contract management personnel in theater & training; (3) Acceleration of transition to the new LOGCAP IV contract; (4) Adequacy of contractor business systems; (5) Greater accountability in the use of subcontractors; (6) Proper transition of lessons learned from Iraq to Afghanistan; (7) Establishment of a contracting command in Afghanistan; and (8) Proper training and equiping of security contractors. To download the report, visit http://www.wartimecontracting.gov/images/download/documents/reports/CWC_Interim_Report_At_What_Cost_06-10-09.pdf.

The Task Force should be comprised of cross-cutting teams with, at a minimum, representatives from the: Office of the Secretary of Defense; Departments of the Army, Navy, and Air Force; Joint Staff; and Joint Contracting Command–Iraq/Afghanistan. Because of their first-hand and historical knowledge of wartime contracting challenges and solutions, the organizations that supported the 2008 National Defense Authorization Act Section 849 Task Force should participate, as appropriate. The Task Force should also seek new expertise to address the specific topics in the Interim Report and provide a fresh perspective.

The Task Force findings and recommendations should be provided to me within 90 days of this memorandum. My point of contact is Jill Stiglich at Jill.Stiglich@osd.mil or 703-699-3726.

Ashton B. Carter

Appendix B. Key Department Stakeholders

The Department of Defense stakeholder community that works together to support the warfighter's business needs has made many noteworthy improvements directly affecting the contingency environment. This appendix identifies many of these stakeholders and describes some of their key initiatives.

1. Office of the Secretary of Defense Responsibilities

a. USD(AT&L)

Many USD(AT&L) organizations assist with executing the responsibility for establishing and ensuring compliance with DoD policy for acquisition, technology, and logistics. USD(AT&L) organizations fulfill multiple responsibilities, including providing subject matter expertise, ensuring compliance with statutory and government-wide regulatory requirements, leading working groups, interfacing with external entities in both government and industry, identifying training needs, and defining functional process, policy, and data requirements for DoD-wide e-business initiatives and systems related to procurement.

The following OSD organizations play a role in executing policy responsibilities:

- Director, DPAP, is responsible for all DoD acquisition and procurement policy matters. The contingency contracting team under the Deputy Director, Program Acquisition and Contingency Contracting, provides functional leadership for contingency contracting throughout the Department.
- Assistant Deputy Under Secretary of Defense (Program Support) is responsible for the oversight and program management of the orchestration, integration, and synchronization of contingency acquisition planning and its operational execution in the Department of Defense.
- DCMA has an overall mission to provide administration services for contracts delegated to DCMA for day-to-day administration to the DoD acquisition enterprise. More specifically, within the contingency contracting arena, DCMA provides CCAS to support the contract administration needs for theater, external, and system support contracts delegated to DCMA for administration in support of the commander. Under these responsibilities, DCMA contingency contracting mission provides contract administration services and oversight primarily for the LOGCAP requirements and theater contracts delegated from JCC-I/A to DCMA to provide in-theater CCAS.
- DAU is responsible for providing practitioner training, career management, and services to enable the AT&L community to make smart business decisions and deliver timely and affordable capabilities to the warfighter. DAU provides training and knowledge sharing to support contingency contracting throughout the Department.

i. DPAP

Below are some significant initiatives undertaken by the DPAP contingency contracting staff:

- Coordinated the internal review and staffing of a legislative proposal to create additional General/Flag Officer billets to initiate and sustain improvement to acquisition, grow future leaders, and support leadership efforts. In Sections 503 and 834 of NDAA 2009, Congress increased by 10 the number of military officers in acquisition positions and required the Department to ensure military personnel had a defined acquisition career path. These efforts will ensure the Department has the senior leadership experience to draw from to lead JCC efforts in the future.
- Championed the establishment of Theater Business Clearance to establish uniform procedures for contracting, contract concurrence, and contract oversight for Iraq and Afghanistan. Beginning with an October 2007 OSD memorandum and DPAP instructions, TBC is now mandated for all contracts (except the Defense Logistics Agency) entering the I/A theater of operations. TBC requires compliance with the JCC-I/A acquisition instructions for unity of effort and rapid support to the warfighter. TBC helps enforce the JCC-I/A requirement for compliance with SPOT, which helps manage contractors on the battlefield.
- Developed emergency response checklists to immediately implement increased thresholds under DFARS 218 and other statutory relief expediting contracting procedures following a declared contingency operation.
- Led an AT&L, Service, and DCMA TFA review of the manpower required to resource a two major regional construct, similar to the current conflict. This drove a broad review of all CCOs, PAs, and quality assurance representatives within the Services and DCMA to identify shortfalls and properly resource these specialties for the future.
- Is leading efforts under the joint executive steering group under Section 813, Panel on Contracting Integrity. The subcommittees are working myriad items to improve contracting oversight, reinforce and bring ethics to the forefront, improve postaward administration, and generally prevent opportunities for fraud, waste, and abuse. Most germane to the commission's concerns are the broad effort to improve COR training, certification and standards across the Department.
- Linked with ADUSD(PS) and the Joint Staff J-4 to ensure that OCS needs are embedded into the Department's long-term planning and resourcing lexicon. This includes OCS requirements being placed in the Joint Strategic Capabilities Planning process, and driving toward a Quadrennial Defense Review look at the structure of the Department to manage the level of contractor support necessary to field and sustain a combat force in the field today and tomorrow.

ii. ADUSD(PS)

The following are significant ADUSD(PS)-led improvements and initiatives that have been instituted to improve the management and oversight of DoD contractors:

- Provision and allocation of 14 Joint Operational Contract Support Planners (JOCSPs) among the COCOMs to assist the combatant commanders with identifying gaps where contractor support capability may be required and integrating required contractor support into plans.

- Creation of the Joint Contingency Acquisition Support Office, which institutionalizes the establishment of the current JCC structure for future contingencies.
- Continued transition from manual accounting of contractor personnel to a web-based, database tool (SPOT) to track contractor personnel and contractor capability in theater.
- Submission of a report to Congress—required by Section 854 of the FY 2007 NDAA—on April 17, 2008. The report outlined a strategic policy framework for program management of DoD contractors and contractor personnel and updated status on the initiatives related to contract management and oversight. A General Officer Steering Committee has been established to manage implementation.
- Creation of a memorandum of understanding between DoD, DoS, and USAID relating to contracting in Iraq and Afghanistan and identifying SPOT as the interagency database for information on contract and contractor personnel.
- Establishment of a "911" response capability. A September 10, 2008, memorandum from the Deputy Secretary of Defense provided guidance on the responsibility to respond to reports that contractor and civilian employees have allegedly committed crimes or have been the victims of crimes.
- Continued development of an OCS concept of operations, which outlines how the operational and acquisition communities plan and execute OCS during complex operations involving support, not just to the joint force, but to our multinational, other government agency, and interagency partners as well.
- Development of programs of instruction for the non-acquisition workforce to be taught at military staff and senior staff colleges. This training will focus all leaders on identifying requirements, translating those requirements into SOWs, and then overseeing work.

iii. DCMA

The following are significant DCMA initiatives to improve the management and oversight of DoD contractors:

- DCMA's Basic Contingency Operations Training (BCOT), which provides predeployment skills training, was improved significantly during the second half of FY 2009. Specifically, a comprehensive TSP has been developed to provide instructors with standardized and structured lesson plans for presenting required instruction. These lesson plans ensure a formalized program of instruction is in place and is delivered consistently and accurately. In essence, BCOT has become a formalized, repeatable, relevant, quality program in both form and function.
- In response to a requirement for increased contractor oversight in Iraq and Afghanistan, DCMA is reaching out to deploying units to educate military leaders and enhance training for unit CORs. Objectives are to contact units and brief them early on DCMA's role, and to be part of their planning cells. This activity is synchronized with the training efforts of the Army Contracting Command's LOGCAP Support Office. During FY 2009, DCMA participated in three United Endeavor Mission Rehearsal exercises and plans to participate in five more in October and November 2009.
- To place more focus on contract management in Afghanistan, DCMA Afghanistan stood up as a new command in January 2009. Since then, we have more than doubled (47 to 110) the number of ACOs, contract administrators, PAs, and QARs overseeing LOGCAP

and CCAS contracts in theater. As a result of the increased focus and resources, DCMA Afghanistan has steadily been increasing the number of audits completed in theater from 500 to more than 1,300 per month, and customer satisfaction is at an all-time high.

- DCMA Afghanistan has recently partnered with DCMA Iraq and LOGCAP, forming a working group to aggressively disposition the excess government property in Iraq as it draws down. The main objective of this working group is the reutilization of excess government property within LOGCAP in Afghanistan. As the mission in Afghanistan continues to grow, the build-out requirements continue to grow with it. The reutilization of these assets directly supports the expansion efforts, contributes a major cost savings to LOGCAP, and ultimately, to the U.S. Government. Concurrently, as a key part of the drawdown in Iraq directed by President Obama, DCMA Iraq in coordination with MNF-I, has established an excess property disposition plan to expedite transfer of nine critical commodities (generators, material handling equipment, etc.) from Iraq to U.S. forces in Afghanistan or the Government of Iraq. DCMA Iraq is working closely with KBR, LOGCAP Deputy Program Director–Iraq and Afghanistan, MNF-I CJ1/4/8, MNC-I C4, and Army Central Command to screen and provide final property disposition instructions.
- Based on lessons learned from Kuwait and Afghanistan, DCMA Iraq, in coordination with the LOGCAP office, has conducted extensive transition planning for moving services from LOGCAP III to other contract vehicles. The DCMA transition team will provide oversight and direction within its delegated authority to the LOGCAP III, IV, and other contractors to ensure that transitions are executed in accordance with the transition plan and established milestones.

iv. DAU

As the primary learning-assets provider for the Defense acquisition workforce, DAU is a strategic enabler. DAU is committed to enabling the right acquisition outcomes by fully engaging students, both in the classroom and on the job. Through a virtual, continuous presence with the workforce, DAU's products and services enhance workplace performance, promote mission effectiveness, and help reshape the acquisition workforce to meet future challenges. Among the significant initiatives DAU is working to support contingency contracting is its support to Subcommittee 6 of the Section 813 panel looking at COR training and certification:

- DAU provided the workspace and assisted with the evaluation and cataloging of DoD and non-DoD research studies, reports, audits, policies, and procedures related to contract surveillance and CORs.
- DAU hosted a "Think Tank" that facilitated the integration of experts from DoD activities that perform (or had performed) functions as CORs or contracting officers.
- DAU professionals developed a new 4.5-day COR training course that aligns with the training competencies developed through the Subcommittee 6 effort.
- DAU is involved with writing a DoD instruction for the implementation of a new COR certification program and with facilitating the academic certification of equivalent training providers.

b. USD(C)

The Office of the Under Secretary of Defense Comptroller has the responsibility for establishing DoD policy for financial management and helping to ensure compliance with that policy. USD(C) organizations provide subject matter expertise, ensuring compliance with statutory and government-wide regulatory requirements, leading working groups, interfacing with external entities, providing experienced personnel to augment operational forces, and defining functional process, policy, and data requirements for the DoD-wide financial management systems and processes. The Deputy Chief Financial Officer (DCFO) and DCAA have roles in executing those responsibilities.

i. DCFO

Working with theater senior leaders, the DCFO acts as an information conduit and task coordinator with other OSD offices to ensure that theater priorities are addressed and available resources are focused on resolving theater issues. In addition, the DCFO works with the Defense Finance and Accounting Service (DFAS) to identify theater staff augmentation needs and disbursing operations. As part of the coordination role, the DCFO chairs the Mid-Level Integration Board, which is composed of senior representatives from USD(AT&L), the Business Transformation Agency, the Army, DFAS, and CENTCOM. This cross-cutting board works to coordinate activities in support of the theater and to ensure appropriate internal controls are in place to mitigate risks.

ii. DCAA

DCAA's mission is to perform all necessary contract audits for DoD components, and other government organizations responsible for the negotiation, administration, and settlement of contracts and subcontracts. Contingency operations are DCAA's highest priority; therefore, DCAA auditors were among the first DoD civilians in theater. In May 2003, DCAA established the Iraq branch office to provide audit oversight and support of the contracts performed in theater. In July 2008, the DCAA director approved the opening of a second audit office, to be based in Afghanistan to support the increase in contingency contracting taking place there. In-theater, real-time audit work is necessary for physical observation and testing. When combined with audit work performed in CONUS, this in-theater effort provides the Department with early detection of potentially costly or unallowed activity. DCAA has provided contract audit services associated with roughly 260 prime contract awards to more than 110 contractors with a value in excess of $75.7 billion. Through FY 2008, DCAA has recommended reductions in proposed and billed costs of roughly $7.0 billion associated with these contracts.

c. Under Secretary of Defense for Personnel and Readiness

The Civilian Personnel Management Service (CPMS) develops and implements innovative human resource management solutions to ensure the DoD civilian workforce is ready and able to effectively support the warfighter and the national security mission. CPMS has undertaken many initiatives to develop a structure and provide incentives for civilian contracting personnel to participate in expeditionary operations, either through designated or volunteer positions:

- On January 23, 2009, DoD reissued DoDD 1404.10 under a new title to establish the DoD civilian expeditionary workforce. The CEW allows the Department to rely on a mix of capable military members and DoD civilian employees to meet global national security mission requirements. Through the CEW, a portion of the DoD civilian workforce is trained, cleared, and equipped to rapidly mobilize, assimilate, and respond to expeditionary requirements.
- DoD is actively publicizing opportunities to participate in the CEW program, through the CEW website (http://www.cpms.osd.mil/cew/) and USAJOBS, the official job site of the U.S. Government (http://www.usajobs.gov).
- The Department has submitted a legislative proposal that would extend, for FY 2010, the increased premium pay cap for federal employees in the CENTCOM area of responsibility. The bill has passed the House and Senate and is awaiting Presidential signature.
- The Department obtained legislative enhancements in 2008 and 2009 that:
    - Increase the premium pay cap for federal employees in the CENTCOM area of responsibility;
    - Increase the death gratuity payment for federal employees who die of injuries in connection with their service in a contingency operation; and
    - Enable federal civilian employees who are members of a reserve component of the armed forces—and are called or ordered to active duty—to continue coverage under the Federal Employees Group Life Insurance Program.
- DoD recognizes the contributions of civilians through the Global War on Terrorism Medal, which was established in 2007 to recognize contributions and accomplishments of the DoD civilians supporting the armed forces to combat terrorism. The unveiling of the medal and presentation to the first recipients occurred on February 26, 2008.

2. Military Service Responsibilities

Each Service Acquisition Executive (SAE) reports to USD(AT&L) on contingency contracting matters.[1] In their capacity as senior procurement executives, SAEs are responsible for contingency contracting direction for their respective Service. Each Service supports contingency contracting to ensure the proper execution of its operational responsibilities.

[1] The SAE for the Army is the Assistant Secretary of the Army for Acquisition, Logistics and Technology. The Navy SAE is the Assistant Secretary of the Navy for Research, Development and Acquisition. The Air Force SAE is the Assistant Secretary of the Air Force for Acquisition.

a. Army

i. Key Army Organizations Engaged in Contingency Contracting Initiatives

The following are the key Army organizations working contingency contracting initiatives:

- *The Office of the Assistant Deputy Assistant Secretary of the Army (Procurement)–Iraq/Afghanistan, OADASA(P)-I/A.* OADASA(P)-I/A serves as principal advisor to the Assistant Secretary of the Army (Acquisition, Logistics, and Technology) and the Deputy Assistant Secretary of the Army (Procurement). OADASA(P)-I/A provides policy guidance and the necessary administrative and Army subject matter experts in the support and sustainment of contingency contracting policy and dedicated multifaceted rear support to the JCC-I/A and the theater PARCs on all procurement policy issues. In addition, the OADASA(P)-I/A manages the recruitment and relocation of all civilians sent to JCC-I/A as well as manages the JMD and RFF placements for military assignments.
- *Army Contracting Command.* The Army provisionally established the ACC in January 2008, under AMC. In October 2008, ACC became a permanent command. Within ACC headquarters, a contracting support element has the mission to provide added contract planning capability, business advice on acquisition and contracting concerns, and improved contracting support assistance to AMC. The ACC has two major subordinate commands: Mission and Installation Contracting Command and Expeditionary Contracting Command. Within ECC, the expeditionary contracting structure will include planning cells consisting of contracting personnel and logistics specialists. The Army transferred and increased the staffing of four CSBs from the Army Sustainment Command to the ECC, and activated two new CSBs, with a seventh brigade planned for FY 2011. In addition, it established three new contingency contracting battalions, 12 senior contingency contracting teams, and 36 contingency contracting teams. At full strength, the ECC will have a total of 7 contingency contracting brigades, 8 contingency contracting battalions, 14 senior contingency contracting teams, and 69 contingency contracting teams. Planning cells within each CSB include embedded contract planners to coordinate contract requirements with operational commanders. The ECC supported over 50 exercises and missions for Army service component commands, on top of providing 32 CCOs to JCC-I/A. In addition, the Army has restored general officers within the contracting ranks. The Army is also adding a contracting support element to provide four major Army commands with added contract planning (requirements definition) capabilities.
- *LOGCAP.* On December 16, 1985, the Army established LOGCAP under Army Regulation 700-137. The program provides general logistics and minor construction support to deployed Army, joint, multinational, and interagency forces. AMC acquired the management of LOGCAP on October 1, 1996. The Army Sustainment Command was established in September 2006 to assist LOGCAP and functions as the intercessor between expeditionary contracting and military needs. LOGCAP uses contractor support to perform its worldwide mission.
  LOGCAP plans, during peacetime, for the use of civilian contractors to perform selected services in wartime and other contingencies to augment U.S. forces in support of

Department of Defense missions. LOGCAP can also provide support to other U.S. Services, coalition and multinational forces, and other government/non-government agency components in support of joint, combined, coalition, and multinational operations. This includes operations other than war, such as disaster relief, peacekeeping, or humanitarian assistance missions. LOGCAP III was competitively awarded just after 9/11. Its use has far exceeded that under any of its predecessors. In the first 4 years of that contract, obligations exceeded previous efforts by almost 300-fold and grew to more than $14 billion by October 2005. Considering the extent of LOGCAP III's use, the Army elected to implement a new LOGCAP IV acquisition strategy much earlier than planned. The primary objectives of LOGCAP IV are to reduce program risk, increase capacity, and incentivize contract performance. This eventually led to the award of three separate contracts for worldwide support, as well as a standalone contract for support services such as planning, requirements analysis, cost estimating, logistics management, and management analysis in support of the LOGCAP contracting offices. This approach allows the Army to obtain the benefits of competition throughout the 10-year lifetime of the contracts, driving better prices and service. Work is transitioning from LOGCAP III to LOGCAP IV consistent with Presidential direction and mission-based and security agreement terms. A transition of this magnitude is unprecedented; to ensure success, the Army is starting with less complex transitions and incorporating lessons learned as it moves progressively to the most complex transitions.

- *Acquisition, Logistics and Technology–Integration Office.* The ALT-IO reports to the military deputy to the Assistant Secretary of the Army for Acquisition, Logistics and Technology. The ALT-IO mission is to develop, oversee, and coordinate the integration of ALT doctrine, capabilities, concepts, tactics, techniques, and procedures into Army and joint warfighting logistical planning and doctrine, as well as to assist with the creation of related policy. Specifically, the key function of the ALT-IO, in concert with the Sustainment Center of Excellence, is the development, coordination, and integration of DOTML (doctrine, organization, training, materiel, leadership) issues within the Army field support brigade and contracting support brigade framework. AMC retains developmental responsibilities concerning deliberate war planning; ALT-IO has primary responsibility for integrating ALT capability into the Army's overall combat development requirements. The center remains the proponent for doctrinal and common training products for acquisition (including contracting), it relies on ALT-IO as the Preparing Agent to create (with AMC as the technical review authority to validate) these products and integrate Army acquisition, logistics, and technology.

ii. Key Army Contingency Contracting Initiatives

In 2003, the Army began a concerted effort to address the challenges commanders have in dealing with OCS. Many of these efforts and initiatives, listed below, have a significant impact on Army DOTML.

- *Doctrine and concept development.* The Army is making significant strides in incorporating OCS and specific contracting-related lessons learned in doctrine:
  - FMI 4-93.42 Contracting Support Brigade: Approval draft package has been prepared and is ready to submit to U.S. Army Combined Arms Support Command (CASCOM) Commanding General pending resolution of support relationship discussion.

  - FM 4-93.41 Army Field Support Brigade: First published in 2007, a revised final draft version of document will go out for another formal staffing in 1Q FY 2010.
  - Joint Publication (JP) 4-10m, Operational Contract Support: Publication approved on October 17, 2008. ALT-IO was lead developer for this joint doctrine project.
  - General Doctrine Integration Actions. OCS-related text was added, updated, and expanded in numerous field manuals and joint publications. This new text provides an OCS overview and specifically addresses the tactical unit's role in planning, requirements development, and contract management.
- *Training*. Army has a variety of contingency contracting training materials in place, or under development, in the following general areas:
  - Individual training and leader education for non-acquisition soldiers
  - Collective training
  - Leader education and training publications for contracting professionals (functional area 51 officers, noncommissioned officers with a 51C MOS, and Army civilians).

Other related efforts are as follows:

- LOGNet's Operational Contract Support Community of Practice. This Internet-based tool enables exchange of knowledge between logisticians in the institutional and operational force. This site serves as the central repository for tactical requiring activities (e.g., major maneuver and support organizations) to gain OCS knowledge. Topics include requirements determination, field ordering officers, CORs, best practices, and lessons learned.
- US-UK interoperability guide. As part of the US-UK Army staff talks, CASCOM (with ALT-IO support) is developing a US-UK Army OCS interoperability guide.
- Graphical training aids (GTAs), handbooks, and guides. ALT-IO is developing an Army guide to OCS. This guide will serve as the primary OCS reference book and will provide implementation guidance to the revised Army Regulation 715-9. The guide will link to the following GTAs, handbooks, and guides:
  - LOGCAP III Customer Handbook, developed by the LOGCAP Program Office and ALT-IO and available on the LOGNet Operational Contract Support website. Revision to LOGCAP IV is expected to start 1Q FY 2010.
  - Deployed COR Handbook (No. 08-47), written by ALT-IO and published by the Center for Army Lessons Learned (CALL) in September 2008.
  - Commanders Emergency Response Program Handbook (No. 08-12), published by CALL in April 2008.
  - Money as a Weapons System Handbook (No. 09-27), published by CALL in April 2009.
  - Developing a Performance Work Statement Handbook (No. 09-08), written by ALT-IO and published by CALL in August 2009.
  - Field Ordering Officer (FOO) and Pay Agent Handbook (No. 09-16), written by ALT-IO and electronically published by CALL in August 2009.
  - "Deployed COR" GTA Smartcard (90-01-016), written by ALT-IO and published by CALL in November 2008. COR GTA smartcard describes the key aspects and references needed for the deployed COR and unit leadership.

  - CERP GTA Smartcard (90-01-017), written by ALT-IO and published by CALL in November 2008. This GTA describes key CERP aspects and references needed for Brigade Combat Team commander and staff level of operations.
  - Contracting Basics for Leaders GTA Smartcard (70-01-001), written by ALT-IO and published by CALL in February 2008. This GTA provides a basic overview of contracting terms, processes, roles, and responsibilities on the battlefield.
  - FOO GTA Smartcard (No.14-01-001), describing the basic FOO responsibilities and procedures. Written by ALT-IO and submitted to CALL for publication in July 2009.
- Army Regulation 715-9, Operational Contract Support Planning and Management. The former Contractors Accompanying the Force regulation has been significantly revised and will serve as the operational commander's primary reference for Army OCS policy. G-4 approval decision briefing is scheduled for October 15, 2009.

b. Navy

The Assistant Secretary of the Navy for Research Development and Acquisition is responsible for the Navy's contingency contracting program and is the ultimate approval authority for all policies and procedures. As his agent, the Deputy Assistant Secretary of the Navy for Acquisition and Logistics Management, DASN(A&LM), has delegated to the Naval Supply Systems Command program management responsibilities for the Navy's supplies and services contingency contracting program and for promulgating policies and procedures for logistics support to operating forces in support of their mission during contingencies.

The Head of Contracting Activity (HCA) for the Marine Corps Field Contracting System is the Deputy Commandant, Installations and Logistics (DC, I&L). The DC, I&L's contracting authority originates from the Assistant Secretary of the Navy for Research, Development and Acquisition, ASN(RD&A), and is further delegated to the Assistant Deputy Commandant, I&L (Contracts).

The Naval Facilities Engineering Command receives its acquisition authority directly from the ASN(RD&A) and is responsible for all facilities and real property-related engineering and acquisition functions for the Navy and exercises many of these same responsibilities for the Marine Corps.

During summer 2009, DASN(A&LM) published the contingency contracting annex to the Navy Marine Naval Logistics Integration Playbook. This annex introduces naval expeditionary and special operations forces to the contingency contracting capabilities available throughout the Navy and Marine Corps.

c. Air Force

The key Air Force organizations working contingency contracting initiatives are as follows:

- *The Office of the Deputy Assistant Secretary of the Air Force (Contracting) (SAF/AQC).* SAF/AQC serves as principal advisor to the Assistant Secretary of the Air Force (Acquisition) on all contracting-related matters, including contingency contracting and OCS. SAF/AQC provides policy guidance and the necessary administrative and Air Force subject matter experts in the support and sustainment of both Air Force and JCC

policy, including providing the technical review authority for JP 4-10. In addition, in coordination with the Air Force Personnel Center's Air Expeditionary Forces Operations Division, SAF/AQC manages the Air Force's 280 recurring Air Force CCO deployments. SAF/AQC also reviews all requests for JMD and RFF contracting support and facilitates the use of Air Force military program managers as quality assurance representatives in support of the CCAS mission. Additional SAF/AQC successes and initiatives include the following:

- Rebanded Air Force CCOs into 1:1 deployment-to-dwell posture to ensure 100 percent fill rate of Air Force CCO taskings, as the Air Force is supporting some 68 percent of the total joint CCO requirements for Operation Iraqi Freedom and Operation Enduring Freedom (OIF/OEF).
- Increased officer and enlisted accessions into Air Force contracting career field to counterbalance serious retention issues caused by OIF/OEF operations tempo.
- Led development of initial and first revision of JCC handbook.
- Continued utilization of Air Force Instruction 63-124, "Performance Based Services Acquisitions," and AFFARS Mandatory Procedure 5346.103 to ensure that Air Force CORs are assigned in writing by their functional commander and properly trained before assuming COR duties.
- Is revising AFFARS Appendix CC, "Contingency Contracting," to better align with JP 4-10 and emerging OCS initiatives.
- Is actively pursuing additional reach-back opportunities. For example, commissioned a RAND study to investigate options to increase reach-back support to theater and directed Air Force Logistic Management Agency to analyze best locations for an Air Force reach-back cell.

- *Air Forces Central (AFCENT).* AFCENT provides contracting support to three separate air expeditionary wings and three air expeditionary groups via six expeditionary contracting squadrons (ECONS). The ECONS provide complete contract support, from preaward to contract closeout, in support of a static population of more than 16,000 and a population of 31,000 under surge conditions. In addition, AFCENT provides HCA support as well as coordination for contracting reach-back support options.
- *Air Force Contract Augmentation Program (AFCAP).* AFCAP, established in 1997, is managed by the Air Force Civil Engineer Support Agency. Similar in concept to LOGCAP, AFCAP is the Air Force's largest expeditionary support contract. It has evolved from a 5-year, $475 million program to AFCAP III, which is a multiple award contract over 10 years. AFCAP was the first DoD contract augmentation program to go multi-vendor. AFCAP has successfully been competing task orders since November 2005. AFCAP is moving toward firm-fixed-priced orders. In FY 2009, AFCAP had few cost orders and no award-fee tasks.

3. Joint Responsibilities

a. Joint Staff

The mission of the Joint Staff Logistics Directorate (J-4) is to deliver integrated joint logistic service capabilities to optimize support to deployed forces. Within J-4, the Logistics Services

Division and Operational Contract Support Branch aim to deliver integrated contract support and management of contractor personnel providing that support to the Joint Force Commander.

In October 2008, the Joint Staff published JP 4-10, the first joint doctrine on OCS. This document provides techniques and procedures for orchestrating provision of contracting in a theater of operations and for managing contracting personnel who provide such support.

In August 2008, the CJCS established a task force regarding DoD's dependence on contractors. Phase I of the task force evaluated contractor-provided combat and security training with the intention of assessing the use of contractors in providing training and education in combat and security functions to military personnel.

Phase II, kicked off in December 2008, aimed to identify shortfalls and areas of improvement in contractor support to assist planners with writing operational plans. The results of this phase will also help to determine future requirements for contractors on the battlefield. The data have shown the skill sets currently being utilized. J-4's goal is to standardize the language of these skill sets for contract requests and execution.

The CJCS task force began Phase III in August 2009. It is addressing improvement of OCS planning by regular communication with JOCSPs at each COCOM and researching manuals, instructions, and directives that govern adaptive planning instructions to COCOM J-staffs and Service components that would address OCS planning improvements. This research will lead to recommended changes in multiple documents and processes. The task force is developing a contractor estimate tool to aid in OCS planning that will be socialized and analyzed with one GCC in late October. In addition, the task force completed data analysis and is finalizing a report on contractor dependence based on the data collected in Phase II.

b. U.S. Central Command

CENTCOM is one of six Geographical Combatant Commands (GCCs); Iraq and Afghanistan fall under its purview. GCCs do not have authority under Title 10 of the United States Code to enter into contracts. Instead, individual Services execute contracting authority within, and in support of, GCCs. The CENTCOM J-4 Contracting Branch supports theater planning efforts; acts as acquisition advisor for CENTCOM headquarters; develops policy and plans for contracting in the CENTCOM AOR; establishes command, control, and authority for effective execution of AOR contracting requirements; and serves as liaison between the field, Joint Staff, and OSD.

In September 2008, CENTCOM formed a work group to lay the groundwork for establishing the Joint Theater Support Contracting Command. The group is currently working toward milestones that include MNF-I Commander Decision Point on JTSCC implementation (pending Iraqi drawdown) in October 2009. Other future actions include issuance of a CENTCOM order on JCC-I/A transition to JTSCC in December 2009 and transition to the JTSCC in March–October 2010. JTSCC will continue to synchronize operational contract support for more countries that are a supporting effort to OEF and OIF.

c. Joint Contracting Command–Iraq/Afghanistan

JCC-I/A provides policy and procedural guidance governing all contracts to be awarded for performance in Iraq and Afghanistan as well as contracting support in theater. The JCC-I/A commanding general is the Head of the Contracting Activity for contracting in Iraq and Afghanistan. He delegates contracting authority to PARC-I and PARC-A, who in turn warrant all contracting officers under their control.

JCC-I/A continues to apply acquisition strategies that are moving away from use of LOGCAP in Iraq and are moving to more firm-fixed-price competitive contract awards. This includes theater-wide strategies and a means to reduce reliance upon LOGCAP services where it makes sense to switch, as well as fully utilize host-nation labor.

JCC-I/A is continuing to improve its processes by maximizing "reach-back" contracting, leveraging Rock Island Arsenal for contracts that are complex and resource intensive, and require a detailed source selection process. This allows the contracting officers on the ground to pay attention to more tactical, day-to-day issues affecting the warfighter. JCC-I/A has executed $1.2 billion via reach-back, with $500 million in work. This has been incorporated into Afghanistan's standard operating procedures.

JCC-I/A is as proactive as possible with respect to planning for the Iraq drawdown. It is an active participant in the MNF-I Drawdown Fusion Center that fuses, synchronizes, and integrates all critical tasks in support of responsible drawdown. Also, it established the Joint Logistics Procurement Support Board, co-chaired by the JCC-I/A commander and MNF-I CJ1/4/8 that meets regularly to ensure that contracting efforts are properly coordinated and prioritized in support of the drawdown, identifies common requirements, eliminates redundancies, and identifies contracting gaps and identifies and resolves problems early.

Appendix C. Contingency Business Environment Tools

Table C-1 provides an overview of the Department's attempts to insert technology and e-business tools into the contingency environment to optimize the acquisition process for operational contracted support of the warfighter. The focus is to provide a simple, seamless, preaward, award, and postaward acquisition tool kit to support the end-to-end expeditionary business process while making accurate, current, and complete information available to warfighters, operators, and management. Some of these tools are already deployed, while others are under development. The Deputy Director, Defense Procurement and Acquisition Policy (Program Development and Implementation) has cognizance over the concept of operations for these e-business tools.

Table C-1. Contingency Business Environment Tools

Technology/ Tool	Status	Description
cASM	Under development with initial deployment estimated for 3Q FY 2010	The cASM is an easy-to-use tool that helps users get their requirements on contract more efficiently. This web-based application uses information collected through a questionnaire to automatically generate an initial draft of requirements documents. The cASM is based on an existing application used for requirements generation at Hill Air Force Base. The tool assists with translating a combatant commander's requirement into a procurement package that includes all the required documents and approvals, a responsive contract statement of work, and any ancillary data or information for acquisition approval and contract action.
3in1 Tool	Under development with full deployment estimated 1Q FY 2011	The 3in1 tool is a technology-based solution to record and transfer data used by the defense agencies when making on-the-spot, over-the-counter field purchases of supplies and services (cash-and-carry type purchases) when use of the government purchase card would generally be appropriate, but is not feasible. Typically, this is expected in a contingency environment. Today, these purchases are made by field ordering officers, using a process that is primarily manual and may require the officers to be exposed to hostile or dangerous conditions in order to conduct face-to-face review and audit of purchases. Using the new 3in1 tool, the officer will input the necessary data into the 3in1 handheld device, which will transmit the data to JCCS-NG.

Table C-1. Contingency Business Environment Tools

Technology/ Tool	Status	Description
Joint Contingency Contracting System (JCCS)	Fully deployed	JCCS is a robust client tool designed to capture and manage in-theater contract data, provide a bilingual web-based online registry for host-nation vendors, provide a solicitation posting/proposal receipt system, and provide an enterprise process and technology capability that gives leaders structured, real-time reporting of key contract data. Along with posting contract opportunities in English (full solicitation) and Arabic (summarized version), and providing information about all the registered and approved host-nation vendors, the JCCS captures vendor proposals and documents contract awards. JCCS currently provides the ACSA Global Automated Tracking and Reporting System (AGATRS). The AGATRS application of JCCS can operate in environments with or without connectivity. JCCS also provides tools to enable supplier relationship management: • Process of publishing contracting opportunities and a means for replying with proposals and responses to requests for quotes electronically • Vetted database of host-nation and foreign vendors • Process of approving local suppliers • Multi-language functionality.
Standard Procurement System	Contingency application under development	The Standard Procurement System-Contingency (SPS-C) is a contingency version of DoD's current contract writing system, SPS. SPS-C provides the same functions as a garrison based SPS instance. In the SPS-C set-up, the client application and Procurement Desktop 2 database are loaded on a single laptop or desktop, and contracting can be performed in a contingency environment in extremely austere environments where network connectivity is unreliable or nonexistent. Currently SPS has been deployed to JCC-I/A, and in other contingency locations.
Wide Area Workflow	Fully deployed	WAWF is deployed to JCC-I/A. Vendor enrollment training is being conducted to increase utilization. The vision for use of WAWF in a more austere expeditionary environment includes developing a laptop function to process receipts and receiving reports off-line.
Synchronized Predeploy-ment and Operational Tracker (SPOT)	Deployed	SPOT is a joint database for contractor tracking and administrative accountability, made mandatory in January 2007. SPOT is a web-based automated system to track contractor personnel movements within the forward area and a basis for validating individual contractor personnel associated with specific contracts, their authorization for access to specific DoD facilities, and their individual eligibility for specific DoD support services.

Table C-1. Contingency Business Environment Tools

Technology/ Tool	Status	Description
Joint Contingency Contracting (JCC) Handbook Online	Fully deployed.	The JCC handbook is a consolidated source of information in a pocket-sized guide to help contingency contracting officers. The handbook is intended to be used in conjunction with an enclosed DVD that is also available at the DPAP website. Both the handbook and DVD can be used to train at home station and be used as reference and for training while deployed. Prior to the JCC handbook initiative, no standardization existed within DoD as to how each Service trained its CCOs. Instead, each Service had its own tailored version of a contingency contracting guide and training plan. The JCC handbook is updated annually. The recently released second edition of the handbook includes many enhancements such as critical action checklists, laminated foldout charts, color-coded pages to flag vital information, and summary-level key points.
Joint After Action Report (AAR)	Under development with pilot test expected in 2Q FY 2010	DPAP is developing an automated joint AAR to provide deploying CCOs with ready access to information about their next duty station from CCOs that have previously been assigned to that mission. The AAR is also designed to provide feedback to commanders and policymakers concerning what works well and what needs to be improved to better support CCOs and warfighters. The joint AAR will be data driven, so that the information provided by CCOs can be aggregated for subsequent analysis in support of training and policy development.
Standardized OCS Web Pages	Under development with pilot test expected in 2Q FY 2010	In November 2006, DPAP required commanders of geographic combatant commands to ensure that their contracting offices maintain a web-page listing of all prevailing regulations, polices, requirements, host-nation laws, orders/FRAGOs, GCC directives, unique clauses, and other considerations necessary for soliciting and awarding contracts for performance in, or delivery to, that GCC's AOR. The objective is to establish a reliable way to get current AOR-unique information to those who will be awarding, performing, or overseeing the execution of contracted support in a GCC's AOR.DPAP is working with the GCCs to develop a standardized organizational web template across the GCCs that provide one-stop shopping for public operational contract support content in the GCC's AOR.

Appendix D. Department of Defense Memorandum Designating the Contingency Acquisition Support Model as a Special Interest Program

THE UNDER SECRETARY OF DEFENSE
3010 DEFENSE PENTAGON
WASHINGTON, DC 20301-3010

ACQUISITION, TECHNOLOGY AND LOGISTICS

OCT - 5 2009

MEMORANDUM FOR COMMANDER, U.S. CENTRAL COMMAND
(ATTN: ACQUISITION EXECUTIVE)
COMMANDER, U.S SPECIAL OPERATIONS COMMAND
(ATTN: ACQUISITION EXECUTIVE)
DEPUTY ASSISTANT SECRETARY OF THE ARMY
(PROCUREMENT), ASA(ALT)
DEPUTY ASSISTANT SECRETARY OF THE NAVY
(ACQUISITION & LOGISTICS MANAGEMENT), ASN(RDA)
DEPUTY ASSISTANT SECRETARY OF THE AIR FORCE
(ACQUISITION INTEGRATION), SAF/AQX
HEADQUARTERS MARINE CORPS (INSTALLATIONS
AND LOGISTICS, CONTRACTING)
DIRECTORS OF THE DEFENSE AGENCIES
DIRECTORS OF THE DOD FIELD ACTIVITIES

SUBJECT: Designation of the Contingency Acquisition Support Model (cASM) as a Special Interest Program

In summer 2008, OSD formed a joint team to address the ability to electronically generate requirements documents while deployed in theater, a critical need for our Warfighters.

As a result, the cASM software application was created and designed to:

- Enable data entry to populate multiple acquisition documents using a questionnaire.
- Store performance work statement formats and templates in an easily updatable central Web repository.
- Be Web accessible using minimal and intermittent bandwidth requirements.
- Automatically generate an electronic staffing process via email notifications.
- Be intuitive requiring little or no training outside of the application itself.
- Address financial requirements as well as functional requirements.

cASM is intended for use by two primary deployed DoD users: (1) the non-acquisition professional charged with preparing performance work statements and requirement documentation; and (2) the acquisition contracting officer who will receive cASM documentation needed to prepare a contract in an expeditionary environment.

Concurrent with Air Force cASM development, OSD and the Services must execute a Memorandum of Agreement to formalize and codify each organization's responsibilities over the cASM lifecycle not later than (NLT) October 2009. Attachments to this memorandum provide the Department-level responsibilities for execution of the cASM program. Because of the importance of this application, I am designating cASM as a "special interest program" under the Weapons System Lifecycle Management/ Materiel Supply and Services Management Investment Review Board in accordance with the DoD IT Defense Business Systems Investment Review Process.

I request the Commander, USCENTCOM, document the need for cASM in a Joint Urgency of Need Statement. The proposed initial deployment strategy for cASM for FY 2010 must be completed by the Army NLT October 2009, with the goal of ensuring cASM deploys in theater NLT March 2010. Other Services may engage as necessary.

I designate the Deputy Director, Defense Procurement and Acquisition Policy (DPAP), responsible for chairing the cASM Joint Requirements Board. DPAP and the Services are to support operational theater business capabilities and initial deployment strategy, as required, and brief the senior- and mid-level integration boards, co-chaired by USD(AT&L) and USD(Comptroller).

My point of contact is Ms. LeAntha Sumpter at 703-602-7955 or LeAntha.Sumpter@osd.mil.

Ashton B. Carter

Attachments:
As stated

2

Contingency Acquisition Support Model (cASM)
Pilot Program Deployment Strategy

Background:

The Contingency Acquisition Support Model (cASM), a derivative of the Air Force Acquisition Support Model (ASM), is envisioned as an easy-to-use, web based tool that helps users place their requirements on contract, more efficiently supporting units in the field. The development of the core ASM capability has taken place at OO-ALC Hill AFB, Utah. cASM was designed to assist users and others responsible for initiating acquisitions; to identify the documents required to initiate a procurement; the regulations associated with the documents; their order of use in the process; the approved formats for the documents; the data and information required to complete the documents; and the identification of, and routing to, document reviewers and approvers.

Initial Deployment:

Initial and future deployment of the cASM application will depend on acceptance by the user community. The service user representatives will participate in the cASM Joint Requirements Board (cJRB) chaired by the Director, Defense Procurement and Acquisition Policy, Program Development and Implementation. The cJRB will identify user requirements (cASM application and interfaces to other critical systems) that must be integrated into the application as well as testing strategy and performance monitoring. Most of the development work of cASM is to make the application very easy for deployed personnel to use with limited need for formal cASM application training.

The user testing of the cASM tool will be evolutionary. The testing community will carefully expand based on the merits of the application version tested and unanimous agreement of the cJRB. This will be maintained in the Test Plans. The cASM will not be imposed upon the user community until it has demonstrated suitability in the contingency contracting environment.

Three phases have been identified for testing, refinement, retest and acceptance of the tool for field pilot testing. Initial development, alpha and beta testing is complete. If the pre-deployment results are accepted by the cJRB and the responsible component, the cASM application may deploy in a theater environment.

Ground Rules:

1. Gradual expansion of user community testing based on acceptable performance
2. Agreement by cJRB membership on corrective action, Configuration Management (CM) changes, and decision to proceed to the next phase of user testing.

Pre Deployment Evaluation - July 2009 to November 2009

1. Limited testing and re-testing by immediate membership of the cJRB, selected SMEs and designated units and/or commands.
2. Testing will exercise the complete end to end requirements definition process.
3. cJRB continuously monitors performance.
4. On-line issue tracker collects and tracks issues and corrective action. Such corrections to identified issues will be incorporated as agreed to by the cJRB and documented by the cASM CM tracking system.
5. Robust technical support available for testing membership.

Limited User Evaluation and Initial Deployment - November 2009 to TBD

1. If the cJRB and testing units in work up agree, limited user evaluations and initial deployment(s) of the system to theater and to units in work up for deployment. Expansion of user community in theater will depend on satisfactory technical performance and suitability and the desires of the uniformed services and commands involved.
2. Continued robust technical support, monitoring of system and unit performance by the team and cJRB.

Contingency Acquisition Support Model (cASM)
Program - Responsibilities

The Under Secretary of Defense for Acquisition, Technology and Logistics (USD(AT&L) Defense Procurement and Acquisition Policy (DPAP) shall:

Provide Overarching Leadership of the Development and Technical Requirements for the Contingency Acquisition Support Model (cASM) Program chairing the cASM Joint Requirement Review Board.

Ensure Coordination of Service User Representative requirement Inputs during development and user testing.

Ensure cASM reaches an acceptable level of maturity for use by contingency personnel in the field prior to its transition to a core business mission capability.

Provide resources to support program joint requirements development.

The Secretaries of the Military Departments and Combatant Commands shall:

Provide representatives of appropriate experience and authority to:

Provide inputs to the user interface to ensure compatibility and ease of use for expected field users.

Provide candidate personnel and/or Units to evaluate operational use of the product at selected locations as the application is matured.

Support integration with critical service systems required to adequately evaluate cASM (eg: CAC, DKO SSO).

Provide testing and financial resources to support deployment of cASM to designated locations as practicable.

Advise USD (AT&L), Director, Defense Procurement, of the suitability of cASM for operational use.

Provide Support for Deployment and sustainment of the cASM application.

The Department of the Air Force, Ogden Air Logistics Center, Hill AFB, Utah, Acquisition Center of Excellence shall:

Provide cASM Project Management, IT Portfolio Manager, Server Hosting, contracting and Life Cycle Technical Support for execution of the cASM SBIR Program in support of the cASM Joint Requirements Board. Support for the Services testing and deployment as appropriate.

The Defense Business Transformation Agency (BTA) shall:

Integrate the resultant product, as appropriate, into the Enterprise Transition Plan (ETP), business process reengineering, core business mission activities and Investment Review Board (IRB) matters (once cASM demonstrates adequate maturity for field use).

Appendix E. Charter: Contractors' Business Systems Reviews

The Director, Defense Procurement and Acquisition Policy, established subcommittee 11, within the Section 813 Panel on Contracting Integrity, to assist with carrying out the Department's mission to eliminate areas of vulnerability in DoD contracting systems. Subcommittee 11 is focused on establishing consistent processes and procedures to address contractor business system deficiencies. Below is a copy of the charter for the subcommittee.

Charter of the Section 813 Contracting Integrity Panel, Subcommittee 11 (Contractors' Business Systems Reviews)

Purpose: To establish an interdepartmental subcommittee to review current policy and procedures within DoD regarding the Department's audit and administration of contractors' business systems.

Background: The Under Secretary of Defense (AT&L) established a Panel on Contracting Integrity as directed by Section 813 of the John Warner National Defense Authorization Act for Fiscal Year 2007. The Panel conducts annual Department-wide reviews of the defense contracting system to determine the Department's progress in eliminating areas of vulnerabilities in contracting that allow fraud, waste, and abuse to occur. The Panel's efforts are summarized in a series of annual progress reports to Congress.

According to the Commission on Wartime Contracting June 2009 Interim Report, "[t]oo many contractor business systems are inadequate and must be fixed" and "[c]ontracting officials make ineffective use of contract withholds provisions recommended by their auditors…" In August 2009 hearings, the Commission on Wartime Contracting heard testimony that regulations and contract clauses need to be improved to allow contracting officers to withhold amounts from contractor payments relating to inadequate contractor systems. The overarching concern expressed by the Commission is that inadequate contractor business systems may be an area of vulnerability that may permit waste and abuse to occur.

Authority, Objectives, and Scope: The efforts of this subcommittee are authorized and chartered by the DoD Panel on Contract Integrity. The subcommittee will review current policy, processes, and practices within the DoD regarding the audit, evaluation, and administration of contractor's business systems to include contractor internal control systems or other contractor systems the subcommittee may identify. The following discussion points will guide the subcommittee's efforts:

- Is there a need for one "common list" of contractor business systems?
- Is there a need for additional contract clauses or regulations for each system, to include remedies such as withholds and guidelines for audit frequency?
- Is there a need for defined expectations or criteria for each system to determine adequacy?

Membership: Army, Navy, Air Force, Defense Contract Management Agency, and Defense Contract Audit Agency will each provide subject matter experts as members to this working group. The Subcommittee will be chaired by the DPAP Director of Cost, Pricing, and Finance.

Roles and Responsibilities: This task is a high priority for the DoD and requires the commitment of all participating organizations and personnel. Assigned members will leverage internal component resources and will coordinate with and report on information exchanges within their respective organization. The goal is to achieve timely consensus on issues and recommendations for corrective action throughout the Department. The Subcommittee Chair will appoint a working group lead(s) who will be responsible for assigning priorities, scheduling meetings, and reporting the findings and recommendations of the working group(s) to the Subcommittee Chair.

Milestones: Introduce charter and preface of the Subcommittee to the Panel on September 24, 2009, and quarterly thereafter, brief the Panel on progress/status/recommendations.

Appendix F. List of Abbreviations

AAR	After Action Report
ACC	Army Contracting Command
ACO	administrative contracting officer
ACOD	Armed Contractor Oversight Division
ACSA	Acquisition Cross Servicing Agreement
ADUSD(PS)	Assistant Deputy Under Secretary of Defense for Program Support
AFCAP	Air Force Contract Augmentation Program
AFCENT	Air Forces Central
AFFARS	Air Force FAR Supplement
AGATRS	ACSA Global Automated Tracking and Reporting System
ALMC	Army Logistics Management College
ALT-IO	U.S. Army Acquisition, Logistics and Technology–Integration Office
AMC	Army Materiel Command
ANCOC	Advanced Noncommissioned Officer Course
AOR	area of responsibility
ARB	Acquisition Requirements Board
ARFOR	Army Forces
ASC	Army Sustainment Command
ASCC	Army Service Component Commander
BCOT	Basic Contingency Operations Training
CALL	Center for Army Lessons Learned
CASCOM	U.S. Army Combined Arms Support Command
cASM	Contingency Acquisition Support Module
CCAS	Contingency Contract Administration Services
CCO	contingency contracting officer
CENTCOM	U.S. Central Command
CERP	Commander's Emergency Response Program
CEW	Civilian Expeditionary Workforce
CJLPSB-A	Combined Joint Logistics Procurement Support Board–Afghanistan

CJOA	Combined Joint Operational Area
CJTF	Combined Joint Task Force
CLC	continuous learning course
CLM	continuous learning module
CLSS	Corps Logistics Support Services
CMGO	contractor-managed government-owned
CO	contracting officer
COCOM	Combatant Commander
CONOC	Contractor Operations Cell
COR	contracting officer's representative
COWC	Commission on Wartime Contracting
CPMS	Civilian Personnel Management Service
CS/CSS	combat support and combat service support
CSB	contracting support brigade
D&F	Determination and Findings
DASN(A&LM)	Deputy Assistant Secretary of the Navy for Acquisition and Logistics Management
DAU	Defense Acquisition University
DAWIA	Defense Acquisition Workforce Improvement Act
DC, I&L	Deputy Commandant, Installations and Logistics
DCAA	Defense Contract Audit Agency
DCFO	Deputy Chief Financial Officer
DCMA	Defense Contract Management Agency
DDSS	Deployable Distribution Standard System
DFAC	dining facility
DFARS	Defense FAR Supplement
DFAS	Defense Finance and Accounting Service
DoD	Department of Defense
DoDD	DoD directive
DoDI	DoD instruction
DoS	Department of State
DOTML	doctrine, organization, training, materiel, leadership

DPAP	Defense Procurement Acquisition Policy
DSD	Deputy Secretary of Defense
DUSD(A&T)	Deputy Under Secretary of Defense for Acquisition and Technology
ECC	Expeditionary Contracting Command
ECONS	Expeditionary Contracting Squadrons
EDA	Electronic Document Access
ESS	ESS Support Services Worldwide
FAR	Federal Acquisition Regulation
FM	Field Manual
FMI	Field Manual Interim
FOO	Field Ordering Officer
FPDS-NG	Federal Procurement Data System – Next Generation
FYPD	Future Years Defense Program
GAO	Government Accountability Office
GCC	Geographic Combatant Command
GCPC	Government Commercial Purchase Card
GTA	graphical training aid
HCA	Head of the Contracting Activity
HCSP	Human Capital Strategic Plan
IDIQ	indefinite delivery/indefinite quantity
IFR	interim final rule
IMCOM	Installation Management Command
IMI	Interactive Multimedia Instruction
IPT	integrated process team
ITAO	Iraqi Transition Assistance Office
J-4	Joint Staff Logistics Directorate
JARB	Joint Acquisition Requirements Board
JCC	joint contingency contracting
JCC-I/A	Joint Contracting Command – Iraq/Afghanistan
JCCS	Joint Contingency Contracting System
JMD	Joint Manning Document
JOCSP	Joint Operational Contract Support Planner

JP	Joint Publication
JTSCC	Joint Theater Support Contracting Command
LOGCAP	Logistics Civil Augmentation Program
LPTA	lowest price technically acceptable
MEF	Marine Expeditionary Force
MNC-I	Multi-National Corps–Iraq
MNF-I	Multi-National Force–Iraq
MOA	Memorandum of Agreement
MRAC	Mission Ready Airmen's Course
MOU	Memorandum of Understanding
NCO	noncommissioned officer
NDAA	National Defense Authorization Act
OADASA(P)-I/A	Office of the Assistant Deputy Assistant Secretary of the Army (Procurement)–Iraq/Afghanistan
OCONUS	Outside the Continental United States
OCS	operational contract support
OIF/OEF	Operation Iraqi Freedom and Operation Enduring Freedom
OSD	Office of the Secretary of Defense
PA	property administrator
PAO	principal action office
PARC	Principal Assistant Responsible for Contracting
PARC-A	Principal Assistant Responsible for Contracting–Afghanistan
PARC-I	Principal Assistant Responsible for Contracting–Iraq
PCC	Pre-Command Course
PCO	procuring contracting officer
PERSCO	Personnel Support for Contingency Operations
PME	Professional Military Education
PRT	Provincial Reconstruction Team
PSC	private security contractor
PWS	performance work statement
QAR	quality assurance representative
QCTS	Quick Compliance Tool Suite

RFF	Request for Forces
RUF	rules for the use of force
SAE	Service Acquisition Executive
SAF/AQC	Deputy Assistant Secretary of the Air Force (Contracting)
SAFE	Safe Actions for Fire and Electricity
SIGAR	Special Inspector General for Afghanistan Reconstruction
SIGIR	Special Inspector General for Iraq Reconstruction
SME	subject-matter expert
SOFA	Status-of-Forces Agreement
SOW	statement of work
SPOT	Synchronized Predeployment and Operational Tracker
TBC	Theater Business Clearance
TFA	Total Force Assessment
TFWC	Task Force on Wartime Contracting
TRADOC	Training and Doctrine Command
TSP	Training Support Packet
TTM	Theater Transportation Mission
TWISS	Theater Wide Internal Security Services
USA	U.S. Army
USAID	U.S. Agency for International Development
USD(AT&L)	Under Secretary of Defense for Acquisition, Technology and Logistics
USFOR-A	U.S. Forces–Afghanistan