

A Contracting Campaign Plan for the U.S. Army

MG George R. Harris

One of the key issues facing today's Army is our ever-increasing reliance on contracted support. Much has been said about headlines related to contract fraud, which came out of theater beginning in 2007. This prompted establishment of the Army Contracting Task Force (ACTF), co-chaired by LTG N. Ross Thompson III, Military Deputy (MILDEP) to the Assistant Secretary of the Army for Acquisition, Logistics, and Technology (ASAALT), and Kathryn A. Condon, Executive Deputy to the Commanding General (CG), U.S. Army Materiel Command (AMC). The ACTF's immediate focus was to stop contract fraud in theater and provide for urgently needed improvements in expeditionary contracting operations.

Contractors move a reel of cable for construction at the Mosul Passenger Terminal on Forward Operating Base Diamond Back. The renovation is being conducted by a partnership of Iraqi agencies and the USACE to reopen the terminal after 14 years. (U.S. Army photo by SGT Eric Rutherford, 115th Mobile Public Affairs Detachment.)

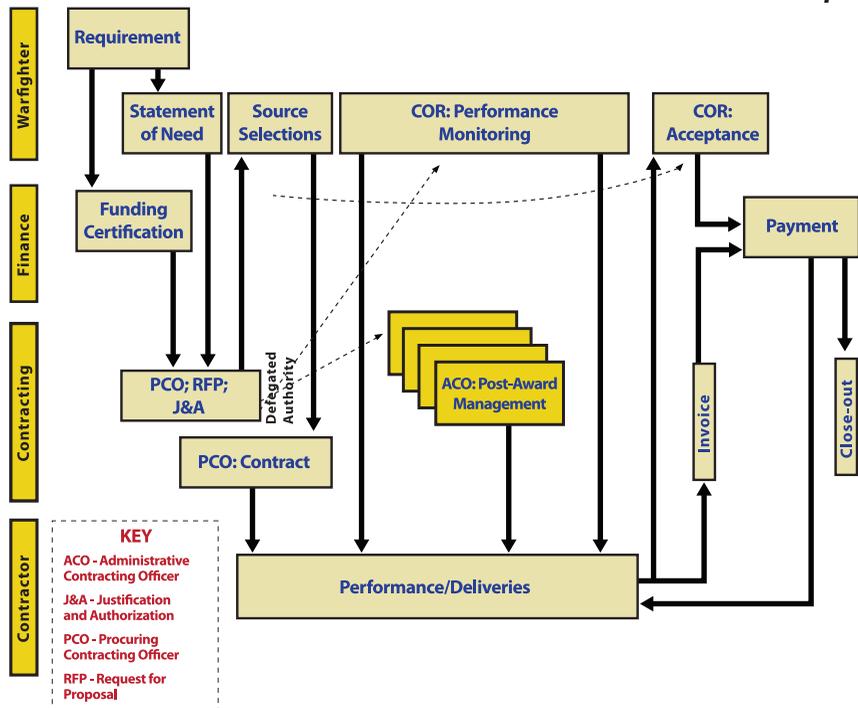
This effort culminated in March 2008, with publication of the ACTF Close-Out Report. A follow-on Army Contracting Campaign Plan-Task Force (ACCP-TF) was established by Under Secretary of the Army Nelson M. Ford to review various findings and recommendations pertaining to Army contracting, most of which emanated from the October 2007 Report of the Commission on Army Acquisition and Program Management in Expeditionary Operations *Urgent Reform Required: Army Expeditionary Contracting* (also known as the *Gansler Commission Report* after Dr. Jacques Gansler, former Under Secretary of Defense for Acquisition, Technology, and Logistics) to Congress. The ACCP-TF then determined the requirements and resources needed to effectively address these findings based on total Army analysis across doctrine, training, leader development, organization, materiel, personnel, and facilities.

With the 1-year anniversary of the *Gansler Commission Report* recently passed, the ACCP-TF will use this opportunity to describe some background and the significant actions being taken by our Army to improve our ability to effectively manage contracted support. While there is still much left to do, considerable progress has already been made.

Many in our Army may not realize that this issue is much bigger than just some fraud in theater. It is also more than just “a contracting problem.” What we are dealing with here is a revolution in the way our Army supports itself. This is a “support” issue. It’s about how our Army will manage its support for operations worldwide. In 1995, the Army executed 73,000 contract actions worth \$26 billion. In 2007, the Army executed 455,000 contract actions worth \$112 billion.

Contracting Is More Than Writing Contracts

Source: Nov 07 - Gansler Report



While the Army’s contracting workload (contract actions) increased more than sixfold, the Army’s contracting workforce — the professionals who manage these processes — was not grown beyond a baseline of approximately 5,500. This created a bubble of risk and an environment where fraud was inevitable. As a point of reference, in 2007 the U.S. Air Force executed 208,000 contract actions worth \$69 billion, with a workforce of approximately 7,000.

The various steps in the contracting life cycle (see figure) can be categorized in terms of pre-award (requirements development, independent cost estimates, funds certification, contract award, etc.) and post-award (contracts management, monitoring of vendor performance, acceptance of work, payment,

contract close-out, etc.). In the environment we faced after Sept. 11, 2001, the limited number of contracting professionals available to support

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urgent warfighting requirements had no choice but to be focused on pre-award efforts. The contracts had to be awarded to provide timely support to the warfight. Soldiers’ lives and military operations depended on timely and effective con-

tracted support. Post-award administration became something the workforce would get to as it had time. This is time that could seldom be found in our wartime support environment.

We have an Army that is more reliant on contracted support, for both peacetime and wartime operations, than at any other time in our history. The work of the ACCP-TF is about

shrinking the bubble of risk described above, by providing for more effective management of Army contracted support. Proposed solutions lie in a combination of new contracting structure/manpower, new doctrine/policies and improved training, and more effective use of automated tools and support. Our target audience is not restricted to the contracting professional. With reliance on contracted support at all-time highs, the ACCP-TF has focused much of its work on empowering commanders and their staffs (the noncontracting professionals) to manage their contracted support.

New Contracting Structure/Manpower

Twelve different organizational concept plans have been approved to date, adding 446 Active Component military and 1,208 government civilians, who will be dedicated to more effective management of Army contracted support. These plans will grow the Army's existing contracting workforce by approximately 25 percent. Other concept plan approvals are still pending, the most significant of which calls for added structure of 241 warrant officers and 431 civilians to address capability gaps in contract administration services. For the first time in more than 30 years, Congress has acted to increase the Army's allotted number of Active Component

general officer positions by passing legislation enabling the Army to add 5 acquisition billets. The first of these five billets has already been filled by BG Camille M. Nichols, the first commander of the U.S. Army Expeditionary Contracting Command (ECC).

The most significant structural change is the stand-up of the U.S. Army Contracting Command (ACC) on March 13, 2008. This new 2-star command, established under AMC, is organized with the ECC to provide much-needed deployable military contracting expertise and a Mission and Installation Contracting Command (MICC) to oversee worldwide contracting operations vital to support of our installations and acquisition centers. The mission of the former U.S. Army Contracting Agency has been absorbed by the new MICC. This new structure consolidates approximately 70 percent of Army contracting structure under the ACC commander, who reports directly to the AMC CG. More importantly, new capability in the form of the ECC's 7

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New Reserve Component structure (370 military) will add 3 CCBns and 75 CCTs of deployable surge capability. The U.S. Army Corps of Engineers (USACE), in need of support for construction contracting operations, will have a Military Contingency Contracting Team for each of its nine divisions. The U.S. Army Training and Doctrine Command has added contracting professionals (military occupational specialty 51C) to support the combat training centers (CTCs) with realistic incorporation of contracted support exercise scenarios. Other approved structure includes positions to support contracting training, operations, and oversight at

QDA; USACE; Program Executive Office (PEO) Simulation, Training, and Instrumentation; Judge Advocate General; U.S. Army Installation and Security Command; and the Criminal Investigation Division Command.

New Doctrine/Policies and Improved Training

Doctrine, policies, and training are evolving to reflect today's new reality for contracted support. As the Army is drafting new doctrine for the employment of our new CSBs, we are also working with the Office of the Secretary of Defense (OSD) to ensure understanding of how our new ECC structure will support the Joint Contracting Command of the future. Army policies have been updated to allow for earlier accessions of new officers and noncommissioned officers into the contracting career field approximately 2-3 years earlier



Mahbullo Holmadov, a contract employee with Architecture, Engineering, Consulting, Operations, and Maintenance Government Services, pressure washes the underside of an M1151 High-Mobility Multipurpose Wheeled Vehicle at 3rd Battalion, 401st Army Field Support Brigade's (AFSB's) wash rack at Bagram Airfield Afghanistan. (U.S. Army photo by Jim Hinnant, 401st AFSB.)

deployable Contracting Support Brigades (CSBs), 8 Contingency Contracting Battalions (CCBns), and 83 Contingency Contracting Teams (CCTs) will be available to support the commander's contracting operations in the future warfight.

than past practices. Contracting lessons learned from theater are actively sought and incorporated into our institutional training (at least 16 courses to date). These lessons learned are also being used to build realistic contracted support training scenarios for use at the CTCs and in other collective training exercises.

The prompt, thorough, and accurate writing of statements of work (SOWs) on the front end of the contract (which saves money by getting it right the first time), as well as better contracting officer's representative (COR) management on the back end, are responsibilities of the warfighter (or requirements generating activity) and should be seen as Army core competencies. We need to ensure that commanders and their staffs are prepared to take full "ownership" for their support. As such, the Operational Contracting Support — Planning and Management Training Course has been established to provide non-contracting professionals, serving with brigade, division, and corps-level staff, with the skills needed for requirements development, to include the writing of SOWs, and effective post-award administration, to include COR management and contract close-out. The pilot course will be taught in February 2009 at the Army Logistics Management College-Huntsville, AL. The Defense Acquisition University has also made significant upgrades to its curriculum, focused primarily on contracting professional and COR skill sets. It also offers a distance learning curriculum of great value to the Reserve Component.

Automated Tools and Support

The Army is working to implement essential process and technology improvements to further address the needs of our contracting professionals, as well as the warfighting commander

Contract workers with General Dynamics Land Systems work under the lights to remove slat armor from 4th Stryker Brigade Combat Team, 2nd Infantry Division, Stryker Combat Vehicles, at a 401st AFSB work area at Camp Arifjan, Kuwait. (U.S. Army Photo by Jim Hinnant, 401st Army Field Support Brigade.)



and staff. The Army is already fielding the Virtual Contracting Enterprise (VCE) as a short- to mid-term solution to provide Web-based Standard Procurement System/Procurement Desktop Defense capabilities. The fielding of VCE, which is scheduled for completion by 2012, also serves as the vehicle through which we will transform the Army to fully "paperless" contracting operations. Of greater impact will be Army initiatives, led by PEO Enterprise Information Systems, to field an automated procurement (contract writing) system. This system will provide for automated, user-friendly (TurboTax®-like) drop-down menus with checklists and samples to guide the noncontracting professional through requirements development and writing of the SOW. This automated procurement (contract writing) system will be fully integrated as part of the Army's Enterprise Resource Planning system and enable simplified cradle-to-grave management of our contracted support with improved oversight, visibility, traceability, and accountability throughout the contracting life cycle.

In summary, the Army has indeed taken tremendous strides toward

improving capabilities to effectively manage contracted support requirements. The task at hand is to transform from our traditional Cold War Army support culture to today's reality that much, if not most, of the support necessary for successful operations in both peacetime and wartime will be contracted. With more than \$100 billion being executed annually via Army contract vehicles, each 1 percent in savings generated through more effective management and/or reduced waste, fraud, and abuse returns more than \$1 billion to the operational commander for high-priority Soldier needs. We must change our culture. We must, as an Army, learn to effectively manage our contracted support. We cannot afford to do otherwise.

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