

STATEMENT OF
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(ACQUISITION)
BEFORE THE
SUBCOMMITTEE ON READINESS
OF THE
HOUSE ARMED SERVICES COMMITTEE
ON
THE ROLE OF CONTRACTORS SUPPORTING MILITARY FORCES
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Mr. Chairman, Congressman Ortiz and members of the Committee, thank you for this opportunity to participate in today's discussion of contractor oversight within the Department. I proudly represent the acquisition professionals responsible for developing and delivering the warfighting capability that makes the United States Air Force the dominant air force in the world. I'm also happy to testify to the roles of Air Force contractors, their value to the Department, and where we're getting it right. While there is always room for improvement, our experience with contractors and contracting has been largely positive. My hope is that we can achieve mutual agreement of what needs to be fixed. We are committed to work closely with OSD and Congress to make the necessary corrections.

Before I get too far, I'd like to take a moment to describe some of the hard work being done for you by some of the people I represent. Air Force contingency contracting expertise is in high demand across the Department with our officers leading joint contingency contracting operations in the Balkans, Afghanistan, and Iraq. In calendar year 2003, we sent over 400 contingency contracting officers to 58 locations around the world. So far this year, 117 have already been deployed to 24 locations. Contingency contracting officers deploy as part of our Air Expeditionary Force packages. Once in place, they do the hiring of nationals to provide our warfighters with a myriad of local supplies and services. This approach significantly reduces the size, or footprint, of the deployed force as the supplies and services in question, not to mention infrastructure to support them, do not have to come along for the ride. Through April of this year, in CENTAF alone AF, contingency contracting officers have performed over 11,000

contracting actions valued at over 120 million dollars. The Air Force Team has a solid track record in this area, one we can all be proud of.

When I say the Air Force Team, I want to be clear that I'm referring to more than just our roughly 28,000 uniform Airmen and civilians. Indeed the reason we're here today is to discuss policies related to the third component of our team, namely private contractors. In Air Force acquisition, we buy hardware up to and including major weapon systems, along with many types of services (such as base operating support and logistics support just to name a few) from private contractors. We also contract for support and expertise in our acquisition program offices as well. Whether it is on the buying or selling side of the fence, contractors are therefore an integral part of our team.

A key point I'd like to add is that the team-aspect remains intact when contractors employed by the Air Force deploy to a contingency theater in support of our systems. The contractors themselves, Air Force technical personnel, and quality assurance personnel all go as part of a team. In this way, we are able to ensure good contract performance. Also, we take advantage of the Defense Contract Management Agency and the Defense Contract Audit Agency for management oversight and pricing support, both of these organizations having regional offices in Iraq.

The Air Force has also recognized the growing importance of acquiring "services," and in 2002 we established what is now called the Program Executive Office for Combat Mission Support to provide oversight and management of "services" acquisitions of over 100 million dollars. This office conducts annual program reviews of services within their portfolio and

serves as the Source Selection Authority for acquisitions within their portfolio. This approach has been recognized and supported by the DoD Inspector General and recently by Congress. In the Senate's version of the FY05 DoD Authorization Act currently under consideration, the committee urges other departments to review our management structure and strongly consider establishing similar structures.

The Air Force has also developed a Management and Oversight of Acquisition of Services Process at the Service level and requires that all programs develop a similar plan for acquisitions within their purview. The process basically requires acquisition status and strategy reviews during critical stages of the acquisition process, not only prior to the award, but also during transition and at least annually thereafter. Additionally, we've established a multi-functional Services Management Council to work services issues that impact all parties associated with an acquisition. First up on the Council's agenda is to address providing training for Quality Assurance personnel assigned to help assure performance on our services contracts.

Air Force Instruction 63-124 on Performance-based Services Acquisitions now applies to all services contracts over the Federal Acquisition Register's Simplified Acquisition Threshold. This AFI emphasizes the need to focus on performance measurement, performance assessment, and performance management after contract award. These areas are addressed and a performance plan developed as part of every applicable services contract acquisition strategy. In order to assist in this effort, we are also developing a computer-based Performance-based Services Acquisition training tool for use by the acquisition team. The training will include a start out with modules on performance measurement and performance management.

Of some note with regards to today's discussions, the Air Force has also established an Integrated Product Team that is examining our Military Interdepartmental Procurement Request, or MIPR as its commonly known, process. Of interest to us is improving the business decisions that are routinely made on contracting out Air Force requirements through other agencies, such as the General Services Administration. The IPT will propose a re-engineered process and provide recommendations for policy or process changes.

Finally, the Air Force is establishing a Services Community of Practice website wherein members of multi-functional teams can communicate and share ideas, challenges, and best practices.

In closing, I'd like to summarize by saying that we in Air Force Acquisition have recognized the critical importance of contractor oversight and in many ways are already at the leading edge in improving how the department does its business in this area. I look forward to a robust discussion of the matter and thank the committee for this hearing and the time allotted for my statement. I'm happy to answer any questions you might have for me.