

STATEMENT BY

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BEFORE THE

**SUBCOMMITTEE ON OVERSIGHT & INVESTIGATIONS
COMMITTEE ON ARMED SERVICES
UNITED STATES HOUSE OF REPRESENTATIVES**

**DEPARTMENT OF DEFENSE
DEFENSE PROCUREMENT AND ACQUISITION POLICY**

**THE DEPARTMENT OF DEFENSE'S PROGRESS
IN IMPLEMENTING THE RECOMMENDATIONS OF
THE REPORT OF THE COMMISSION ON
ARMY ACQUISITION AND PROGRAM MANAGEMENT
IN EXPEDITIONARY OPERATIONS**

MARCH 25, 2009

**NOT FOR PUBLICATION
UNTIL RELEASED
BY THE COMMITTEE
ON ARMED SERVICES**

Chairman Snyder and Members of the Subcommittee:

My name is Shay Assad and I am the Director of Defense Procurement and Acquisition Policy. I am also presently serving as the Acting Deputy Under Secretary of Defense for Acquisition and Technology, in the Office of the Under Secretary of Defense for Acquisition, Technology, and Logistics (AT&L). After serving tours on board two Navy destroyers, I began my career in acquisition thirty-two years ago as a Naval Procurement Officer at the Naval Sea Systems Command. I left the Navy in 1978 and joined the Raytheon Company. Over my twenty-two year career at Raytheon I held a variety of contracting and operational positions ultimately serving as a corporate Vice President, a Senior Vice President, and finally, as Corporate Executive Vice President and Chairman and Chief Executive Officer of one of its major subsidiaries. I retired from Raytheon in July 2000. In 2004, I entered Government service as the senior civilian contracting official for the U.S. Marine Corps where I was responsible for, among other things, all Marine Corps contracting in a combat environment. In April 2006, I was promoted to serve as the Director of Defense Procurement and Acquisition Policy where, among other things, I am responsible for all contracting policy related to contracting in a combat environment. I am also the functional leader for those who do contracting in a combat environment.

I want to thank you for the opportunity to appear before you and to participate in today's discussion. At your request, I will address the Department-wide applicability of the Gansler Commission recommendations, actions taken since our report was written, and other on-going initiatives. I'll begin with a short opening statement; my longer official written statement has been provided earlier to be included as part of the record. The Army will be reporting to Congress directly on its own activities.

BACKGROUND

On August 29, 2007, the Secretary of the Army established the independent Commission on Army Acquisition and Program Management in Expeditionary Operations to review lessons learned in recent operations. The Secretary tasked the Commission to provide forward-looking recommendations to ensure that military operations are more effective, efficient, and transparent. Dr. Jacques S. Gansler, who was the Under Secretary of Defense (Acquisition, Technology and Logistics)—USD(AT&L)—from 1997 to 2001, chaired the Commission.

The Commission developed a broad-based strategy for addressing shortcomings identified during its assessment. On October 31, 2007, the Commission published its recommendations in an independent report, *Urgent Reform Required: Army Expeditionary Contracting*. The Commission provided four overarching areas of recommendations:

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

The Commission provided 40 specific recommendations in support of the four overarching recommendations. Twenty-two of the recommendations were specific to the Army. The remaining eighteen recommendations were found to affect the entire Department or require legislative, regulatory, or policy enablers, and are the focus of my testimony. Attachment 1 will assist in navigation of this section by providing an overview of the 4 overarching categories and the 18 specific recommendations.

DEPARTMENT-WIDE APPLICABILITY OF THE GANSLER COMMISSION RECOMMENDATIONS

Section 849 of the National Defense Authorization Act for Fiscal Year 2008 directed the Department of Defense to:

- evaluate the recommendations included in the report of the Commission on Army Acquisition and Program Management in Expeditionary Operations (the Commission),
- determine the extent to which such recommendations are applicable to the other Armed Forces, and
- submit a report to the congressional defense committees with the conclusions of the evaluation and description of the plans for implementing the recommendations for Armed Forces other than the Army

In order to implement the requirements of section 849, The Under Secretary of Defense (Acquisition, Technology, and Logistics) (USD(AT&L)) established the DoD Task Force for Contracting and Contract Management in Expeditionary Operations. The USD(AT&L) directed the Task Force to evaluate the applicability of the Commission's recommendations and to develop long-term, enterprise-wide solutions to improve contracting and contract management in expeditionary operations.

The Task Force was staffed by eight cross-cutting teams with representatives from the Office of Secretary of Defense (OSD); the Departments of the Army, Navy, and Air Force; the Joint Staff; the Defense Contract Management Agency (DCMA); the Defense Acquisition University; and the Joint Contracting Command–Iraq/Afghanistan (JCC-I/A). The Deputy Under Secretary of Defense (Acquisition and Technology) (DUSD (A&T) and the Deputy Under Secretary of Defense (Logistics and Materiel Readiness)(DUSD(L&MR)) co-chaired the Task Force. An Executive Director and a small staff of senior OSD personnel supported the co-chairs in the daily activities and management of the Task Force. The Task Force was advised by a Steering Committee.

The Task Force met periodically to ensure a coordinated and consistent Department approach, and met roughly monthly with Dr. Gansler to discuss any points of clarification regarding the Commission's recommendations. Subsequent to submission of our report to Congress on 1 June 2008, the Task Force continued to meet on a bi-weekly basis in order to capitalize on the momentum created as a result of the Gansler Commission Recommendations. My own staff leads this task force.

The Department agrees with the intended outcomes of all of the Gansler recommended actions. The implementing activities, including alternative approaches and action, continue beyond the reporting deadline associated with Section 849. The DoD leadership team is committed to acquisition excellence that includes expeditionary contracting and contracting management.

RECOMMENDATION 1:

INCREASE THE STATURE, QUANTITY, AND CAREER DEVELOPMENT OF MILITARY AND CIVILIAN CONTRACTING PERSONNEL (ESPECIALLY FOR EXPEDITIONARY OPERATIONS)

The Commission recommended several improvements to address the stature, quantity, and career development for contracting personnel. In total, eight actions fell under this overarching recommendation. To facilitate discussion, I have grouped together related actions in this section as follows: actions relating to General or Flag Officer and SES billets, actions relating to the role of DCMA, and actions relating to reviewing civilian personnel policies.

ACTIONS RELATING TO GENERAL AND FLAG OFFICER AND SES BILLETS

Recommendation 1: Increase the Stature, Quantity, and Career Development of Military and Civilian Contracting	
Actions Relating to General and Flag Officer and SES Billets	
Description of Commission’s Recommended Actions	Implementation Status
Authorize 10 additional General Officers for contracting positions	Implemented
Maintain existing civilian SES contracting positions, plus one new SES	Implemented
Statutorily authorize an increase in General Officer billets	Implemented

The Department has actively assessed and developed its position regarding the appropriate numbers of General and Flag Officers, and Senior Executive Service authorizations and believes that a key element of strengthening the contracting career path for officers is the establishment of flag and general officer billets for contracting positions. Section 503(a) of the National Defense Authorization Act (NDAA) for Fiscal Year 2009 (FY09) authorized ten additional General Officer billets for service in acquisition positions. Five are allocated to the Army, and five for Joint Commands, including two assignments in DCMA. Further, these Flag or General Officers must have significant contracting experience. A pool of deployable general officers with strengths in contracting and contract management is essential for successful contracting support for future contingencies and expeditionary operations.

Although the Commission Recommendation, *Maintain Existing Civilian Senior Executive Service Contracting Authorizations in the Army Workforce, Plus One New Deputy* was Army specific, the Department requested each service review their overall acquisition workforce based on the trend that flag/general officers as well as Senior Executive Service personnel have been reduced over the past decade. Each of the military departments is continuing to work toward

more balance for leadership of workload requirements and workforce available to include expeditionary contracting roles and responsibilities.

ACTIONS RELATING TO THE ROLE OF DCMA

Recommendation 1: Increase the Stature, Quantity, and Career Development of Military and Civilian Contracting	
Actions Relating to the Role of DCMA	
Description of Commission’s Recommended Actions	Implementation Status
Assign DCMA the role of all base, post, camp, & station contract management	Not Accept
Adequately resource DCMA for this expanded role, and have the required training	Not Accept
Redefine DCMA's Scope	Not Accept
Increase contracting personnel (Army military by 400, Army civilian by 1,000 and 583 to fill DCMA billets for Army support)	Accept

The Department did not agree with the Commission’s recommendation that the Defense Contract Management Agency (DCMA) should be responsible for all base, post, camp and station contracting; that it should be resourced to accomplish that mission; and that DCMA’s scope should be redefined. The Task Force developed alternative approaches to achieve the Commission’s goal of enhanced post-award contract management during routine times as well as during times of contingency and war. It is our belief that DCMA should act to oversee the post-award contract administration activities in theater. However, except for certain technical services, the primary responsibility for contract oversight must reside with Contracting Officer Representatives (CORs) who are active members of the operational force receiving the services. The Department did accept the recommendation that the DCMA workforce needs to be

increased. We are presently in deliberations to determine the appropriate size of the DCMA workforce.

ACTIONS RELATING TO REVIEWING CIVILIAN PERSONNEL POLICIES

Recommendation 1: Increase the Stature, Quantity, and Career Development of Military and Civilian Contracting	
Actions Relating to Reviewing Civilian Personnel Policies	
Description of Commission’s Recommended Actions	Implementation Status
Require a complete review and rewrite (as necessary) of each applicable personnel directive impacting civilian personnel involvement in military operations	Implemented

We have reviewed the civilian personnel directives that pertain to civilian personnel involvement in military operations, and issued a memorandum dated February 12, 2008, “Building Increased Civilian Deployment Capacity” to provide guidance and interim policy to promote opportunities for DoD civilians to contribute their talent to DoD’s mission. This memorandum is reflected in an update to DoD Instruction 1400.32, “DoD Civilian workforce Contingency and Emergency Planning Guidelines and Procedures,” August, 2008.

The Department is also staffing a Program Office to oversee the Department’s Civilian Expeditionary Workforce (CEW) initiative. The purpose of the CEW is to improve civilian workforce expeditionary readiness capability and capacity. The initiative is an enterprise-wide endeavor to have a workforce that is cleared, ready, and trained for rapid response and quick assimilation into new environments to support humanitarian and disaster relief missions, provide on-the-ground expertise in security, stability, transition, and reconstruction operations, and provide support for contingencies, emergencies, and DoD operations. The DoD directive governing the initiative was published in late January 2009. In this same vein, the Department has created two new medals for civilian contributions to the Global War on Terror. One was

established after September 11, 2001, and the other is so new that it was awarded for the first time on February 26, 2008.

Lastly, we are continuing to work with our interagency partners to review and recommend new incentives and benefits for Federal civilians serving in combat zones and to ensure consistency among Federal agencies.

RECOMMENDATION 2:

RESTRUCTURE ORGANIZATION AND RESTORE RESPONSIBILITY TO FACILITATE CONTRACTING AND CONTRACT MANAGEMENT

The second recommendation relates to organization and responsibility. There are two specific actions that fell under this overarching recommendation: Actions relating to creating an integrated expeditionary command and actions related to a contracting executive reporting to USD(AT&L).

ACTIONS RELATING TO CREATING AN INTEGRATED EXPEDITIONARY COMMAND

Recommendation 2: Restructure <u>Organization</u> and Restore <u>Responsibility</u> to Facilitate Contracting and Contract Management	
Actions Relating to Creating an Integrated Expeditionary Command	
Description of Commission's Recommended Actions	Implementation Status
Create an Integrated Expeditionary Command in-theater for each major operation.	Implemented

The Commission recommended creating an Integrated Expeditionary Command in-theater for each major operation. This recommendation has been addressed in two ways. Firstly, within the IRAQ/Afghanistan theater the CENTCOM Commander has established a Joint Contracting Command. This command will be the model by which all combat operations will be structured

for major operations. Secondly, DOD has initiated an action to develop and establish the Joint Contingency Acquisition Support Office (JCASO). Concept development for the JCASO was already underway in response to section 854 of the FY 2007 National Defense Authorization Act and a series of Government Accountability Office reports on the management of contractors on the battlefield.

ACTIONS RELATING TO CONTRACTING EXECUTIVE REPORTING TO USD(AT&L)

Recommendation 2: Restructure Organization and Restore Responsibility to Facilitate Contracting and Contract Management	
Actions Relating to Contracting Executive Reporting to USD(AT&L)	
Description of Commission's Recommended Actions	Implementation Status
Make one executive reporting directly to the USD(AT&L) responsible and accountable for DoD Contracting.	Implemented

The Commission recommended one executive reporting directly to the USD(AT&L) should be responsible and accountable for DoD contracting policy, education, training, and readiness. Today, one executive, the Deputy Under Secretary of Defense for Acquisition and Technology (DUSD (A&T)), singularly reports to the USD(AT&L) with those responsibilities.

RECOMMENDATION 3:

PROVIDE TRAINING AND TOOLS FOR OVERALL CONTRACTING ACTIVITIES IN EXPEDITIONARY OPERATIONS

The third recommendation relates to training and tools. There are three specific actions that fell under this overarching recommendation grouped as follows: Actions relating to the Defense Acquisition University (DAU) and actions relating to Contracting Officer's Representative training.

ACTIONS RELATING TO THE DEFENSE ACQUISITION UNIVERSITY (DAU)

Recommendation 3: Provide <u>Training and Tools</u> for Overall Contracting Activities in Expeditionary Operations	
Actions Relating to the Defense Acquisition University (DAU)	
Description of Commission’s Recommended Actions	Implementation Status
Focus DAU to train and educate the civilian and military acquisition, and contracting workforce for expeditionary operations.	Implemented
Provide DAU the necessary resources for the through-put it will experience to accommodate the Army’s migration to emphasizing Level 1 certification earlier in careers.	Implemented

In February 2007, even prior to the Commission, DAU began researching past contingency deployments and lessons learned from missions in US European Command, US Africa Command, and US Central Command theaters of operations. This research included an assessment of the skill level of personnel tasked to complete those assignments and an assessment of the success of deployed Contingency Contracting Officers (CCOs). After release of the Commission’s report, we incorporated DAU’s earlier research into information gathered specifically to address the report’s findings. We were also able to leverage information gleaned from DAU’s discussions/interviews with current and past CCOs who had been, or were currently, assigned to the JCC-I/A, and CCOs who supported operations in Africa and Eastern Europe. The scope of the interviews included discussions with both senior-level leadership and journeyman-level personnel on the relevancy of DAU’s classroom training and service-specific training programs for contracting officers.

DAU does not believe they need additional resources for the increased number of students that would be caused by the Commission’s recommendation that Army military contracting professionals obtain Level I certification after their initial tour because the Army provides the

necessary DAU training to its military personnel at the Army Logistics Management College (ALMC). However, additional DAU resources were required in support of efforts with respect to Level II courses (additional CON 234 Contingency Contracting courses and the development of the Advanced CCO course), gaming simulations, and the development of the Immersion Training Experience. These additional requirements are funded with resources that were diverted to DAU via FY 2008 NDAA, Section 852, DoD Acquisition Workforce Development Fund.

ACTIONS RELATING TO CONTRACTING OFFICER’S REPRESENTATIVE TRAINING

Recommendation 3: Provide <u>Training and Tools</u> for Overall Contracting Activities in Expeditionary Operations	
Actions Relating to Contracting Officer’s Representative Training	
Description of Commission’s Recommended Actions	Implementation Status
(a) Develop training for non-contracting operational military leaders, officer and enlisted, across all grades on the management of contractors with deployed forces	Implemented
(b) Provide training to Contracting Officer’s Representatives in each Service, prior to any military operation	Implemented

In response to FY 2007 NDAA Section 854, the Department began assessing non-contracting officer training courses and existing training curricula at DoD and Service schools at all levels (basic, intermediate, and senior). Based on this assessment, it was determined there were approximately eighteen separate contracting and acquisition courses currently in existence and being taught to both officer and enlisted non-contracting military personnel. To further enhance and expand the current curriculum, the Department developed a broad program of instruction (POI) for operational military leaders, both officer and enlisted, across all grades, on the management of contractors deploying with forces. These include programs of instruction (POI)

for the Military Departments' Staff Colleges and Senior Military Service and Joint Staff Schools to train, more formally, our senior planners and leaders on roles and responsibilities of planning and managing contracts and contractor personnel in forward areas. This training will focus all leaders on the process of determining requirements, translating those requirements into a Statements of Work that may be placed on contract, and then properly overseeing that contractor's performance.

The Department has developed a modular Contracting Officer Representative (COR) training curriculum (on-line training, handbook, etc.) to ensure the COR receives appropriate training based on the complexity, contract type, and dollar value of the contract. Further, our Section 813 DoD Contract Surveillance Subcommittee has worked to:

- Ensure appropriate training is available for personnel assigned COR responsibility regardless of membership in DoD acquisition workforce.
- Supplement structured training with one-on-one training between the contracting officer and the COR on contract specific matters.
- Require completion of COR training before formal delegation of COR responsibilities.
- Include an on-line module for COR supervisors in curriculum, in order to ensure the COR is allowed necessary time/tools/materials to complete COR responsibilities.
- Ensure that contracting officers designate COR training based on specifics of the contract.

RECOMMENDATION 4:

OBTAIN LEGISLATIVE, REGULATORY, AND POLICY ASSISTANCE TO ENABLE CONTRACTING EFFECTIVENESS

The fourth and final area of the Commission’s recommendations relates to legislative, regulatory, and policy enablers, specifically, actions relating to DoD civilian personnel. There are four specific actions in this overarching recommendation: Actions relating to contracting personnel, actions relating to funding flexibility, actions relating to procurement statutes, and actions relating to establishing a contracting manual.

ACTIONS RELATING TO CONTRACTING PERSONNEL

Recommendation 4: Obtain Legislative, Regulatory, and Policy Assistance to Enable Contracting Effectiveness	
Actions Relating to Contracting Personnel	
Description of Commission’s Recommended Actions	Implementation Status
Legislate to provide incentives for civilian contracting personnel to "pre-volunteer" for expeditionary operations.	Not Accept
<ul style="list-style-type: none">• Eliminate Pay Cap	Implemented
<ul style="list-style-type: none">• Establish tax free status	Not Accept
<ul style="list-style-type: none">• Make medals available	Implemented
<ul style="list-style-type: none">• Assure life insurance coverage	Implemented

The Commission recommended several specific actions requiring legislation to provide incentives for civilian contracting personnel to volunteer for expeditionary operations. In all cases where the Department had accepted the Commission’s recommendations, the Department had already either received authorizing legislation or had taken action to propose appropriate legislation. The Department has proposed legislation to provide the Secretary of Defense

expedited hiring authority for Defense acquisition positions, consistent with authority already provided to heads of other Federal agencies. This included the authority to designate any category of DoD acquisition positions as a shortage category that would allow the Department to expedite hiring additional contracting professionals as recommended by the Commission. The following paragraphs summarize each legislative proposal.

- Pay cap. Authority to increase the annual limitation on premium pay up to salary of Vice President (\$227,300 in CY 2009) for 2009 for Federal employees in the CENTCOM AOR, or formerly in the CENTCOM AOR but moved to AFRICOM (Section 1101(a)).
- Pay cap. Authority to eliminate the aggregate limitation on pay under 5 U.S.C. 5307 for any employee in calendar year 2009 who is covered by above (Section 1101 (a)) Allows covered employees to receive applicable payments immediately without deferral into the next calendar year.
- The Department established a new Global War on Terrorism (GWOT) medal in 2007 to recognize contributions and accomplishments of 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.
- Life insurance. Authority for Federal employees to purchase additional life insurance when they are deployed in support of contingency operations, and when DoD employees are newly designated emergency essential and within 60 days of deployment. Could elect basic FEGLI, Option A or obtain or increase to Option B. (Section 1103).

The second recommendation the Department did not agree with was establishing a “tax-free” status for deployed DoD civilians. There was much discussion on the pros and cons of the recommendation. The Department noted a GAO report on this subject that cautioned military and civilian compensation programs are different in their intent, and should not be directly compared. OSD continues to review pay parity for all federal civilians in concert with the appropriate governance and oversight responsibilities.

ACTIONS RELATING TO FUNDING FLEXIBILITY

Recommendation 4: Obtain Legislative, Regulatory, and Policy Assistance to Enable Contracting Effectiveness	
Actions Relating to Funding Flexibility	
Description of Commission’s Recommended Actions	Implementation Status
Legislate to pre-position funding flexibility through an adequately resourced contingency operations transfer fund	Implemented
Ensure that policy and practice support intelligent funding apportionment for expeditionary operations	Implemented

The Commission also recommended legislation to enable funding flexibility through an adequately resourced contingency operations transfer fund. Additionally, policy changes were recommended to ensure that funding is apportioned so as not to unnecessarily burden the contracting officers in the combat arena. The Task Force recommended that an increase of the investment expenses threshold from \$250,000 to \$500,000 for contingency operations would provide the additional funding flexibility intended by this recommendation. This will enable the Operation and Maintenance accounts to fund a wider range of activities, thereby providing local commanders with additional flexibility. This legislation was passed in a supplemental appropriations bill.

The Department also performed an extensive investigation to ensure money was being apportioned intelligently. We found that the fields’ Combat Commanders were conserving funds, awaiting Congressional action on supplemental funding requests, and as such, our CCO’s were writing funding modifications to continue contract performance on a monthly basis. After

discussing this issue with the Joint Contracting Command-Iraq/Afghanistan, we determined our CCO's were not negatively affected by apportionments.

ACTIONS RELATING TO PROCUREMENT STATUTES

Recommendation 4: Obtain Legislative, Regulatory, and Policy Assistance to Enable Contracting Effectiveness	
Actions Relating to Procurement Statutes	
Description of Commission's Recommended Actions	Implementation Status
Legislate to pre-position waivers of small business and US labor provisions, Buy American, Berry Amendment, and Specialty Metals to allow rapid, local buying for expeditionary operations.	Implemented; not all received Congressional support

The Commission recommended that the Department propose legislation to provide waivers to specific procurement statutes: Small Business, U. S. labor provisions, Buy American, Berry Amendment, Specialty Metals and other such provisions to allow rapid, local buying, if required in expeditionary operations.

Where possible, the Department availed itself of regulatory and policy improvements to avoid unnecessary legislation. Therefore, the DoD conducted detailed analyses to determine if statutory proposals were necessary. For example, in response to the Commission's recommendations related to enabling rapid local buying, our analysis to date indicates that we do not need legislative authority regarding specialty metals for contingency operations, but refurbishing equipment for redeployment at a later date is an issue. Based on the Commission's concerns that existing statutes may inhibit rapid, local buying for contingency contracting, we reviewed multiple areas for possible legislative relief, such as the Small Business Act and U.S. labor provisions. After careful analysis, we ultimately determined legislation is unnecessary, either because the reviewed laws only apply *in* the United States or its outlying areas, or because

waiving them for domestic emergencies would usurp separate legislation (e.g., the Stafford Act, which is designed to boost a local economy that has been damaged by a natural or other disaster).

The Department did process several legislative proposals to provide solutions in areas where the Department lacks adequate authority to respond to the Commission's recommendations. The topics included: 1) Allowing agencies, during emergency operations, to request the Comptroller General use the express option to decide protests; 2) Providing exceptions to the requirement to buy items from domestic sources; 3) Acquiring products and services produced in a contingency theater of operations; and 4) Applicability of the Restriction on Specialty Metals. Congress has enacted none of these proposals.

ACTIONS RELATING TO ESTABLISHING CONTRACTING MANUAL

Recommendation 4: Obtain Legislative, Regulatory, and Policy Assistance to Enable Contracting Effectiveness	
Actions Relating to Establishing Contracting Manual	
Commission's Recommended Actions	Implementation Status
Establish an Expeditionary Contracting Handbook	Implemented

The Commission recommended establishing an Expeditionary Contracting Handbook to support the expedited processes and tempo necessary for procuring the support needed in the theater of operations. Efforts predating this recommendation cumulated in the completion of the Joint Contingency Contracting Handbook in December 2007. The handbook includes a DVD that equips Contingency Contracting Officers with the tools they need to operate in a joint contingency environment. The handbook provides a consolidated source of information for contracting personnel conducting contingency contracting operations in a Joint environment, and

provides the essential information, tools, and training to meet the challenges they will face, regardless of mission or environment.

Finally, I would like to note that the Department also welcomed section 833 of the FY09 NDAA. This section will help the Department rebuild the acquisition workforce through expedited hiring authority. This provides the Secretary the authority to designate categories of acquisition positions within DoD as shortage positions. In December of 2008, the Under Secretary of Defense for AT&L and the Under Secretary of Defense for Personnel and Readiness issued a memorandum implementing the section 833 expedited hiring authority.

DOD ACTIONS TAKEN SINCE THE REPORT TO CONGRESS AND OTHER ON-GOING INITIATIVES

At this point, I'd like to provide you with a brief overview of several actions since the report to Congress, as well as other DoD on-going DoD efforts that continue to go above and beyond the recommendations in the four overarching areas described in the Gansler Commission report.

RECOMMENDATION 1:

INCREASE THE STATURE, QUANTITY, AND CAREER DEVELOPMENT OF MILITARY AND CIVILIAN CONTRACTING PERSONNEL (ESPECIALLY FOR EXPEDITIONARY OPERATIONS)

Contract Management and Oversight

The Military Departments and Defense Agencies must plan *and* program to have the force structure capable of supporting the current effort and future contingency operations, consistent with their core capabilities. To do this, we created a joint Service/Agency Contingency Contracting Administration Services working group and a Contingency Contracting Administration Services Executive Steering Group. On 19 February 2009, the Deputy Secretary

of Defense required each Military Department and DoD Agency to conduct a Total Force Assessment of their required Contingency Contracting Officers (CCOs) and Contracting Officer Representatives (CORs).

This assessment will ensure that the Department plans and budgets for an adequate force of trained CCOs and CORs that are ready to deploy to effectively support the warfighter. Further, this effort will deliver a thorough, thoughtful plan to provide the right number of trained CCOs and CORs who are ready to oversee contractor performance. This extensive and continual planning, programming and budget analysis of the Department's contingency contracting and contractor management capability will also ensure that the Services and DCMA have appropriately identified and resourced their contingency requirements to deliver the joint capability necessary support current and future conflicts.

Civilian Personnel Policy Review

Alongside our military men and women, civilians have long served in support of combat, humanitarian, emergency and other contingency-type operations around the globe. The Department must be able to fully access the range of talent within the DoD civilian community in order to quickly and efficiently support complex mission operations. To accomplish this vision, the Department is staffing a Program Office to oversee the Department's Civilian Expeditionary Workforce initiative. The purpose of this initiative is to improve civilian workforce expeditionary readiness capability and capacity in order to support our forces when required. The DoD directive governing the initiative was published in January of 2009. We also continue to work with our interagency partners to review and recommend new incentives and benefits for Federal civilians serving in combat zones and an effort to achieve consistency among Federal agencies.

Regarding Section 852 of the FY08 National Defense Authorization Act, the Department has taken important steps to shape the Department of Defense Acquisition Workforce Development Fund for targeted recruitment, training and retention initiatives. The 852 initiatives will significantly improve the Department's overall management of the Defense acquisition workforce, including contract management and contingency operations, and position the Department to successfully sustain and appropriately size the future acquisition workforce. I want to thank the Congress for their support of the acquisition workforce and the flexibilities provided for using the Fund.

RECOMMENDATION 2:

RESTRUCTURE ORGANIZATION AND RESTORE RESPONSIBILITY TO FACILITATE CONTRACTING AND CONTRACT MANAGEMENT

In the area of organization and responsibility improvements, the Gansler Commission recommended creating an Integrated Expeditionary Command in-theater for each major operation. This recommendation has been addressed primarily by the Department's establishment of the Joint Contingency Acquisition Support Office (JCASO).

The JCASO is building the capability to perform program management and operational synchronization of all theater related contract support efforts. On October 20 of 2008, DoD fielded the provisional JCASO organization, ahead of its scheduled goal. JCASO has already conducted a pilot implementation of the JCASO concept during the European Command exercise Austere Challenge and will take part in two more exercises this Spring.

We have allocated fourteen Joint Operational Contract Support planners among the Geographic Combatant Commands to assist the commanders in reviewing requirements and identifying gaps where contractor support capability may be needed. The planners are helping to integrate required contractor support into plans and synchronize requirements with subordinate

commands, the Military Departments, Defense Agencies, other U.S. Government Agencies, and our coalition partners. The Government Accountability Office is in the process of reviewing our efforts to incorporate operational contract support into the different plans.

RECOMMENDATION 3:

PROVIDE TRAINING AND TOOLS FOR OVERALL CONTRACTING ACTIVITIES IN EXPEDITIONARY OPERATIONS

In the area of tools and training for overall contracting activities in expeditionary operations, we have made significant progress since our report to Congress.

Tool Improvements

Not to rely on policy alone, the Department is working on a host of tools to aid contracting functions in a contingency environment. One example is the Joint Contingency Contracting After-Action Report (AAR). These are internet-based surveys designed to quickly assess deployed CCO experiences to distill best practices and lessons learned. The information obtained will be resident in a single database and hyper-linked to Defense Acquisition University's Contingency Contracting Community of Practice website. Ultimately, the AARs will allow us to assess and improve how CCOs accomplish the mission when deployed downrange, and will give us insight on how to better plan for deployments.

We are also developing operational tools which include a 3-in-1 handheld purchase/disbursement/receiving tool to assist field ordering officers in making micro-purchases in circumstances where the purchase card would be appropriate, but is unavailable. We are also developing a contingency Acquisition Support Model to assist requiring activities with an automated procurement requirements package generator. To standardize what we see on our Geographic Combatant Commander websites, we are developing an organizational template to

aid contracting officers, requiring activities, and contractors in locating information they need when planning for and executing supplies or services for delivery in that Geographical Combatant Command.

Training Improvements

The Department has made improvements in the training available in support of expeditionary contracting, both for the contracting workforce and the non-contracting workforce.

Contracting Workforce Training

The instructor pilot session for the Advanced Contingency Contracting Course, which I had mentioned previously, is scheduled for this Spring. This course will provide “just in time” training to journeyman contracting personnel deploying into a management position. The curriculum will include interactive simulations, hands-on practical work, and robust capstone projects. It will emphasize ethical issues and cultural awareness training and utilize experienced subject matter experts with a perspective on contracting in theater.

The baseline Contingency Contracting course, which incorporates the Joint Contingency Contracting Handbook as a foundational resource, continues to be well received by students. This course will undergo maintenance and revision in conjunction with the forthcoming publication of the revised Joint Contingency Contracting Handbook.

DAU is undertaking a new initiative to leverage technology in the development of podcasts and Living Library videos. Podcasts, Living Library videos, graphics, training aids, and briefings are being developed to facilitate learning in the area of contingency contracting. Podcasts and Living Library videos will capture real world experiences from stakeholders in the contingency contracting process in an effort to supplement current online and classroom assets,

as well as, capture lessons learned from several perspectives from leaders who have been engaged in contingency operation positions.

Outside the curriculum development arena, DAU has undertaken a number of Performance Support efforts to enhance contingency contracting knowledge within their customer base. One effort involved in conducting two recurring Performance Support efforts with the Society of American Military Engineers. Three times per year, DAU conducts seminars via video teleconference providing training on funding and Contracting Officer Representative responsibilities to engineers. Bi-annually, DAU participates in the Contingency Engineering Seminar offered by the Civil Engineering Corps Officer School at Port Hueneme, CA providing training on funding, COR, and contractual instruments. DAU also advances contingency knowledge through participation in Defense Acquisition Officer Executive Overview Workshops providing contingency training to congressional staffers. In February 2009, in support of immediate warfighter requirements, DAU integrated into the training schedule of a mobilizing National Guard unit and conducted three days of contingency training at Ft. Lewis, Washington.

Military Non-Contracting Officer Training

The Commission recommended that we “train as we fight.” As we have seen, contractors are and will continue to be a major part of the battlefield landscape. Operators outside the acquisition community must be trained on the role, importance, and rules of operating with contractors in expeditionary operations. All senior leaders need to have a fundamental understanding of what operational contract support is, the ability to plan and integrate contract support with other military and interagency capabilities, and the ability to account for and manage contractors as an integrated part of the total force.

DoD is working with the U.S. Joint Forces Command (JFCOM), Joint Knowledge Development and Distribution Capability to assist in the development of a holistic training and education program for operational contract support (OCS). JFCOM has developed a multi-phased program beginning with a Phase I pre-deployment training course for the non-acquisition workforce with an initial focus on Joint Force Commanders. In Phase II of the program, JFCOM will lead the development of a “one-stop” OCS Community of Interest (COI) to be established on Joint Knowledge Online (JKO) with links to OCS Stakeholder portals to meet OCS knowledge management objectives. The COI will synthesize content and training resources gathered across DoD as part of an extensive front-end analysis of OCS training and education gaps and DoD stakeholder initiatives. Phase III of the program will focus on OCS life-cycle management objectives to include OCS courseware maintenance and the collection of meaningful metrics to measure the effectiveness of OCS training development and delivery via Joint Knowledge Online.

Additionally, in February 2009, the Military Education Coordination Council designated Operational Contract Support as a Special Area of Emphasis (SAE). SAEs highlight the concerns of OSD, combatant commands, Defense Agencies, the Military Services, and the Joint Staff regarding coverage of specific joint subject matter in the professional military education colleges. They help ensure the currency and relevance of the colleges’ curricula and provide a recommendation on what should be included in the curricula. DoD is now working with Service Schools to determine the best ways to incorporate the OCS Program of Instruction into course work, case studies and exercises.

RECOMMENDATION 4:

OBTAIN LEGISLATIVE, REGULATORY, AND POLICY ASSISTANCE TO ENABLE CONTRACTING EFFECTIVENESS

Policy Improvements

The use of common tools, doctrine, and policy is essential in a joint contracting environment. The Department needs one set of contracting policies so that in any given environment, all of our DoD CCOs know how to operate before they step foot into an operational area. In today's environment, CCOs from different Services are brought together to perform one mission. It should not matter if the mission is in support of a specific military component, an emergency within the United States, or a humanitarian or disaster relief operation somewhere else in the world. As such, I directed a team of our CCOs to create a Joint Contingency Contracting Handbook which provides a consolidated source of information for our CCOs, and provides the essential information, tools, and training to meet the challenges they will face, regardless of mission, locality, or environment. The recently released second edition of the handbook includes many enhancements such as CCO critical action checklists, laminated foldout charts, color-coded pages to flag critical information, and summary-level key points for each chapter. The second edition of our handbook is available on the DPAP website and hardcopies are being provided to the Services and our various field activities. The new edition represents a yearlong effort to use the recent experiences of our deployed CCOs, both abroad and domestic, to update the handbook. I have mandated the use of the handbook for in-garrison or squadron training.

Now that we have a solid tool in our warfighter's hands, we are going one step further. We are currently developing Joint Procedures, Guidance, and Information (PGI) that will serve as the regulatory roadmap for all Services during contingency operations. This policy will be placed in

DFARS Part 18, Emergency Operations, and will be aligned with Joint Publication 4-10, Operational Contract Support. JP 4-10 was itself a huge step forward in contingency contracting – operationalizing contracting in a warfighter’s paradigm. The intent of the PGI will be to guide our least experienced CCOs and lead them through to a successful contract award and subsequent administration. This is no small task, as we have never attempted to take our statutory and FAR based rules and adapt them into a common operating tool suitable for use by a novice contracting officer. Navigating through the myriad of laws, regulations, procedures, guidance, and instructions takes years to master. We can only imagine the additional stress faced by our young troops as they try to use the FAR in the middle of a high tempo, fog of war environment. My goal is to make the PGI easy to use, written in plain English, and organized by the contracting process--pre-solicitation planning, solicitation, pre-award evaluation, award, post award administration, and closeout. We will use common forms, procedures, and emphasize flexibilities, such as dollar thresholds for commercial items, micropurchase, and simplified acquisitions thresholds that will automatically apply during a contingency.

SUMMARY

In summary, the Department has implemented or adjudicated all of the Commission’s recommendations, but there is more we can do. From the Service Secretaries to the overall contracting community, the Department has rallied to institute positive changes and monitor improvement to ensure the process stays on the right track in the long term, and is effective. Finally, the Department is grateful for the support that Congress has demonstrated for achieving the necessary improvements, and we look forward to working with you. Thank you.

ATTACHMENT 1

DoD Scorecard: Commission Recommendations			
Recommendation 1: Increase the Stature, Quantity, and Career Development of the Army's Contracting Personnel			
Lead	Description of Commission's Recommended Actions	Implementation	Status
OSD	Authorize 10 additional General Officers for contracting positions	Implemented	Closed
OSD	Maintain existing civilian SES contracting authorizations, plus 1 new SES	Implemented	Closed
OSD	Increase General Officer billets for Contracting and Joint Contracting (with "fencing" for contracting professionals)	Implemented	Closed
OSD	Assign DCMA the role of all base, post, camp, and station contract management	Not Accept	Closed
OSD	Adequately resource DCMA for this expanded role, and have the required training	Not Accept	Closed
OSD	Redefine DCMA's scope	Not Accept	Closed
OSD	Increase contracting personnel (Army military by 400, Army civilian by 1,000, and 583 to fill DCMA billets for Army support)	Implemented	Closed
OSD	Require a complete review and rewrite (as necessary) of each applicable personnel directive impacting civilian personnel involvement in military operations	Implemented	Closed
Recommendation 2: Restructure Organization and Restore Responsibility to Facilitate Contracting and Contract Management			
Lead	Description of Commission's Recommended Actions	Implementation	Status
OSD	Create an Integrated Expeditionary Command in-theater for each major operation	Implemented	Closed
OSD	Make one executive reporting directly to the USD(AT&L) responsible and accountable for DoD contracting	Implemented	Closed
Recommendation 3: Provide Training and Tools for Overall Contracting Activities in Expeditionary Operations			
Lead	Description of Commission's Recommended Actions	Implementation	Status
OSD	Focus DAU to train and educate the civilian and military acquisition, logistics, and contracting workforce for expeditionary operations	Implemented	Closed
OSD	Provide DAU the necessary resources for the through-put it will experience to accommodate the Army's migration to emphasizing Level 1 certification earlier in careers	Implemented	Closed
OSD	Provide training to Contracting Officer's Representatives in each Service, prior to any military operation (a) Develop training for non-contracting operational military leaders, officer and enlisted, across all grades on the management of contractors with deployed forces (b) Provide training to Contracting Officer's Representatives in each Service, prior to any military operation	Implemented	Closed
Recommendation 4: Obtain Legislative, Regulatory, and Policy Assistance to Enable Contracting Effectiveness			
Lead	Description of Commission's Recommended Actions	Implementation	Status
OSD	Legislate to provide incentives for civilian contracting personnel to "pre-volunteer" for expeditionary operations · Eliminate pay cap · Eliminate tax free status · Make medals available · Assure life insurance coverage	Partial · Implemented · Not Accept · Implemented · Implemented	Closed
OSD	Legislate to pre-position funding flexibility through an adequately resourced contingency operations transfer fund	Implemented	Closed
OSD	Ensure policy and practice support intelligent funding apportionment for expeditionary operations	Implemented	Closed
OSD	Legislate to pre-position waivers of small business and US labor provisions, Buy American, Berry Amendment, Specialty Metals to allow rapid, local buying for expeditionary operations	Implemented	Closed
OSD	Establish an Expeditionary Contracting Manual	Implemented	Closed