



Al Fatah Bridge, with oil pipeline, after insurgent attack, Iraq , 2006. (U.S. Army photo)

# Chapter 5

## Agencies have not institutionalized acquisition as a core function



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The Commission's second interim report to Congress, "At what risk? Correcting over-reliance on contractors in contingency operations," argued for changes in how the U.S. government organizes, plans, trains for, and executes contractor support for contingency operations. The report cited the Defense policy that contractors are an integral part of the total force and emphasized that the country cannot undertake large and sustained contingency operations without contractor support.

The number of contractors has grown faster than the government's ability to effectively manage and oversee them and their contracts. The government's ad hoc response to the expansion of contracting is ineffective, and agency leaders have not recognized the extent of the problem. While noting that some

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initiatives for improvement are under way, the Commission warned of shortfalls in policy, doctrine, resources, planning, and training the federal workforce in ways appropriate for supporting contingencies.

Agencies must fully accept contracting as a core function if only because of the sheer numbers of contingency contracts, their value, and the adverse financial, political, and operational impacts of failure.

Acquisition organizations and independent observers have long recognized that while contracting has grown in importance, agencies have not taken the steps needed to elevate contracting internally.<sup>1</sup> The Commission has found that agencies engaged in contingency contracting are not organized to promote cross-agency communication, to accommodate contractor support in strategic and operational force planning and preparation, to foster cost-consciousness, or to address acquisition issues and challenges at the highest leadership levels.

Many military and civilian acquisition professionals believe that significant benefits would accrue if a committed and centralized leadership were to provide effective

1. Defense Science Board Task Force, "Improvements To Services Contracting," March 2011, 9; Commission on Army Acquisition and Program Management in Expeditionary Operations, "Urgent Reform Required: Army Expeditionary Contracting," October 21, 2007, 21-22, 29, 47; Center for a New American Security, "Contracting in Conflicts: The Path to Reform," June 2010, 20-21.

guidance and support for contingency contracting. As a senior combatant command logistics (J4) director told the Commission, “I would like ... contracting to be a separate directorate. ... Two CENTCOM planners are not enough. ... They are flying the airplane as they build it.”

The Commission’s interim report called for contingency contracting to be designated as a core function because:

- Policy and doctrinal issues on when and where, and questions of how to use contractors extend beyond individual contingencies and must be considered holistically, because they cut across agency missions.
- Advanced and continuous acquisition planning will lead to efficiencies.
- Restructuring within each agency involved is needed to develop an acquisition workforce that is ready for and responsive to contingencies when they occur.

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The Commission’s recommendations for addressing these problems would elevate the role of contingency contracting within Defense, State, and USAID, thus recognizing acquisition as a strategic element and giving contracting a seat at the table. For Defense, the report called for elevating contracting from a subordinate role within the Joint Staff’s logistics directorate (J4) by establishing a J10 directorate. This would raise contingency contracting to the level of other Joint Staff functions like intelligence, plans, and operations.

Since the Commission’s February 2011 interim report, numerous agency and military leaders have acknowledged that organizational changes are needed.<sup>2</sup> Yet agency leaders have not yet taken steps to address cultural changes needed at their agencies.

This is where leadership is required and bureaucracy must step aside.

2. Robert M. Gates, Secretary of Defense, Senate Committee on Armed Services hearing, January 27, 2009, transcript, 10-11; Patrick F. Kennedy, Under Secretary of State for Management, statement, Commission hearing, June 6, 2011, 4-7; Dr. Rajiv Shah, Administrator, United States Agency for International Development, Senate Committee on Foreign Relations hearing, April 13, 2011; Dr. Ashton B. Carter, Under Secretary of Defense for Acquisition, Technology and Logistics, Commission hearing, March 28, 2011.

## The need for cultural change

To effect cultural change within an organization, leaders must accept and promote it. To achieve cultural change in acquisition, leadership must recognize that acquisition is no longer merely a support function, then communicate the importance of acquisition as essential to the agency's mission. Then concrete steps must be taken to institutionalize the change throughout.

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Cultural change affecting acquisition is needed at the strategic and operational levels of Defense, State, and USAID. The outcomes of contracts depend not only on contractors' performance, but also on the government officials who establish requirements, write and award the contracts, and administer them while overseeing performance. Assigning responsibility, allocating resources, and demanding accountability are all critical tools for ensuring cultural change.

Urgent needs and an inadequate number of agency contracting personnel create pressure to operate without specific contract requirements. Failure to provide clear requirements, including requirements that are based on evaluation of program or project sustainability, can invite wasted effort and frustrate imposing accountability.

The past decade has demonstrated that failure to recognize the importance of acquisition and failure to elevate it within each agency perpetuates poor planning, aggravates the shortage of trained professionals, and contributes to runaway costs through inattention and poor and inconsistent decision making.

Prison planning,  
Paktia, Afghanistan.  
(Defense photo)



### Agencies do not adequately plan for operational contract support

More than two decades of budgetary pressure have left Defense, State, and USAID with reduced capabilities to manage and oversee contracts even as their missions and contract workload have grown. Many related duties and responsibilities were

contracted out. But the increase in services contracting was not accompanied by proportional growth in government's oversight and management capability.

Decisions to surge military personnel in Iraq and Afghanistan were made with little consideration for the extent of contractor support that would be needed. Field commanders were unprepared to provide adequate housing and workspace to the growing contractor workforce. Diplomatic missions lost programmatic control of major projects.<sup>3</sup> Camp "mayors" who administer bases struggled to accommodate contractors' needs for space, energy, and communications, and balance them with military requirements.<sup>4</sup>

### Services contracting is not seen as an attractive career for advancement to senior levels

Acquiring services dominates agencies' contingency contracting. More than half of the Defense Department's annual contract expenditure is for services contracts.<sup>5</sup> For the contingencies in Iraq and Afghanistan, services contracts accounted for 66 percent of total contract value awarded since FY 2010. The corresponding FY 2010 proportions of services in total contracting were 94 percent for State and over 99 percent for USAID.<sup>6</sup> These high proportions underscore the importance of attending to the special challenges of managing services contracts.

**Services contracting is different from weapon systems contracting.**

Services contracting is different from weapon systems contracting. Yet agencies act as though nuanced skills, tradecraft, and professional experience are not needed for services contracting. Agencies provide avenues of career progression for personnel engaged in weapon-systems programs. They have not, however, emphasized the importance of services contracting by providing focused training, education, and on-the-job opportunities that would prepare contracting officers for the complex and large-scale services contracts they will encounter during a contingency.

Another difference is that weapon-systems contracting has a well-established and clearly defined management structure with program offices, milestones, and defined decision points. Services-contracting offices have not been structured and managed in the same fashion. After the Commission's April 19, 2010, hearing on

3. William J. McGlynn, Principal Deputy Assistant Secretary of State for International Narcotics and Law Enforcement Affairs, statement, Commission hearing, January 24, 2011.

4. In its interim report, the Commission recommended that the Army's Installation Management Command manage bases and base-support contractors in contingencies.

5. Defense Science Board Task Force, "Improvements to Services Contracting," March 2011, vii.

6. Commission analysis of FPDS-NG data as of June 12, 2011.

this subject, the Office of the Secretary of Defense and the Army began standing up program offices for service contracts, as the Air Force had done earlier.

Many in-theater contract management roles for military and civilian personnel during contingencies are temporary or transitory assignments. In Iraq and Afghanistan, agencies rely on emergency funds to hire temporary personnel and make temporary assignments to fill staffing gaps. This is neither a long-term nor sustainable solution: it does not allow for having permanent government staff on hand to manage and oversee contractors and contracts prior to, during, and following a contingency.

**Now that contractors have become a key component of U.S. military and diplomatic strategies, cultural change is needed at the core of government planning for and execution of a contingency operation.**

Short deployment cycles in theater also put military and civil-service contract managers at a disadvantage vis-à-vis contractors, who are likely to have more continuity of knowledge of contracts and programs.

Insufficient training and lack of program management in services contracting, coupled with short personnel-assignment cycle times, leads to inconsistency in managing programs and administering contracts. This also creates a high risk of mismanaging funds and failing to meet program requirements.

### **There is no focus on the cost of requirements in a contingency**

“Mission needs” too often trump consideration of cost consciousness, practical evaluation of project necessity and sustainability, or attention to long-term project and program investment. Opportunities for waste thereby increase. For example, in Operation Iraqi Freedom, launched in 2003, significant waste was caused by a large number of undefinitized contracts, the slow transition from LOGCAP III to LOGCAP IV, lack of adequate preparation for the Restore Iraqi Oil (RIO) program, difficulties in training Iraqi security forces, and problems in other large reconstruction projects.<sup>7</sup>

7. SIGIR, “Hard Lessons: the Iraq reconstruction experience,” February 2009, 137-138, 175; Lt. Gen. James Pillsbury, Army Materiel Command Deputy Commander, Commission hearing, March 29, 2010, transcript, 58.

## Department of Defense and Joint Chiefs of Staff

In the 2010 Quadrennial Defense Review (QDR), Defense reported that the number of its acquisition professionals had declined by 10 percent over the previous decade, while contractual obligations had tripled. The QDR added, “To operate effectively, the acquisition system must be supported by an appropriately sized cadre of acquisition professionals with the right skills and training to successfully perform their jobs,” and promised that Defense will “increase the number of acquisition personnel by 20,000 positions by 2015.”<sup>8</sup>

The Commission endorses this contemplated increase—currently threatened by budget pressures—and believes Defense must commit resources to ensure that sufficient services-acquisition personnel are available to meet contingency-contracting needs.

In its second interim report, the Commission recommended that a contingency-contracting directorate be established in the Joint Staff. This would elevate the critical role of contingency contracting by establishing a new J10 directorate, led by a flag officer with the contracting experience and training necessary to promote better visibility, planning, and coordination of operational contractor support issues.

Defense awards contingency contracts for intelligence support, translation services, communications, construction, security, training, and other non-logistics services. The placement of contracting within J4 reflects outdated thinking that contracting is only a method to achieve logistical support—not a full spectrum of operational contract support. And too many logistics officers who rise to flag rank lack contracting experience and are unfamiliar with the broad range of roles

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Soldiers with contractors, Zabul province, Afghanistan. (U.S. Air Force photo)



8. Department of Defense, “Quadrennial Defense Review Report,” February 2010, 76.



contractors play in supporting military operations. Contracting should no longer be subordinate to logistics.

In response to the J10 recommendation, the Joint Staff said it does not believe that a new organizational construct would enhance the current effort to institutionalize operational contract support (OCS), and that command and control is strengthened by using established, well-understood staff structures. Further, the Joint Staff said, the current effort to reduce manpower, including flag officers, makes it infeasible to add new structure and a flag officer to the Joint Staff.

A Defense Department analysis identifying operational contract support issues listed a number of factors that impede institutionalizing OCS, including:

- insufficient awareness and appreciation for the potential significance and complexity of OCS;
- inability to fully integrate OCS into task planning, operational assessments, force development, training, readiness reporting, and lessons learned; and
- lack of leadership oversight and awareness to address issues surrounding risks and opportunities, resources, communications, transitions, and issues that arise between contingencies.

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To correct these deficiencies, the director of the Joint Staff issued a memo directing staff to take specific steps to integrate and coordinate operational contract support and the Civilian Expeditionary Workforce program within the Joint Staff.<sup>9</sup> Yet, these steps are not sufficient. The importance of contracting to Defense and the sheer number and dollar value of contracts underscore the need to formally elevate contracting to a J10 directorate within

the Joint Staff from which similar positions would “flow down” to the combatant commands and the military services. Operational dependence upon contractors demands more than an ad hoc response. The size of the contractor force—more than one-half of our total force in theater—requires leadership, planning, and training beyond a J4 logistics focus.

9. Office of the Chairman, Joint Chiefs of Staff, memorandum, “Implementation of SecDef Memorandum on Strategic and Operational Planning for Operational Contract Support (OCS) and Workforce Mix,” June 1, 2011.

The combatant commanders are understaffed and not organized to follow up and maintain the changes in the new OCS doctrine and incorporate them into planning. Currently, U.S. Pacific Command has no dedicated staff for operational contract support; it uses three logistics officers assigned part-time. U.S. Southern Command has assigned responsibility for the doctrine to three civilian staff in its finance group (J8). In U.S. African Command, two officers are assigned part-time, but are frequently unavailable due to deployments. And U.S. Central Command, which has arguably the largest and most pressing need, has only five personnel assigned within its J4 contracting staff.

Clearly, there is a disconnect between realizing the importance of contracting in operations and taking concrete steps to integrate contracting into contingency planning.

As the Joint Staff works through and implements changes in support of future priorities (such as reallocating flag officers and eliminating the J6 directorate), now is the time to institutionalize progress made in operational contract support and enhance the importance given to contingency contracting.

The J10 directorate proposed by the Commission would give contracting visibility in discussions on the future, developing doctrine and policy, reviewing planning and training, and coordinating plans. Creating a J10 position would prompt “flow down” establishment of similar positions at the combatant commands and the military services with a “G10” (or equivalents) at operational headquarters. Acquisition planning, control, and execution would be firmly institutionalized within Defense and would open the door to contractors becoming truly and fully a part of the total force—more than two decades after that policy was announced.

Without institutionalizing a J10 directorate within the Joint Staff and establishing similar staff positions within combatant commands and military services, changes made for contingency contracting risk being ephemeral and subject to budget reductions as in the past. The Joint Staff’s effort to institutionalize operational contract support would be greatly enhanced by a dedicated directorate which, with similar acquisition directorates, would coordinate through the services and unified commands at all levels.

**The Joint Staff’s effort to institutionalize operational contract support would be greatly enhanced by a dedicated directorate.**

Afghan men working on USAID canal restoration project, Taktehpul, Afghanistan. (U.S. Air Force photo)



## Department of State

In its 2010 Quadrennial Diplomacy and Development Review (QDDR), State recognized a need for change, noting that contracting for both State and USAID has expanded while staffing levels stagnated: “These dual trends have resulted in reliance on fewer, larger awards that cover a broad range of activities, with less oversight.”<sup>10</sup>

State’s Under Secretary for Management testified at a Commission hearing that the department has made numerous changes in:

- contract management;
- the number of acquisition professionals, which has increased; and
- incorporating lessons learned into growing and evolving missions in Iraq and Afghanistan.<sup>11</sup>

The changes at State are welcome, but as at Defense, they do not go far enough in addressing the structural deficit within the executive management structure.

In a response to the Commission’s recommendation to establish an office of contingency contracting, the Under Secretary of State for Management said the

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award from Washington, D.C., of “master contracts” for services with subsequent task orders for specific contingencies is a more efficient and responsive method to address the department’s needs when responding to a contingency.

In its second interim report, the Commission recommended establishing offices of contingency contracting at Defense, State, and USAID, and appointing senior-level officials to facilitate planning,

preparedness, and resource allocation. These individuals would also be the focal point for interagency communications and coordinate contracting during contingencies.

10. Department of State, “Leading Through Civilian Power: The First Quadrennial Diplomacy and Development Review,” December 15, 2010, 180-181.

11. Patrick F. Kennedy, Under Secretary of State for Management, Commission hearing, June 6, 2011.

State disagreed with the recommendation, saying that its centralized structure for acquisition is the most effective and efficient model and that a separate office for contingency contracting is not needed. In State's current configuration, the operational acquisition function reports to a Deputy Assistant Secretary, while the Chief Acquisition Officer (CAO) is an Assistant Secretary of State.

State views establishing a cadre of contracting personnel with experience in contingency contracting as inefficient and unnecessary. The department told the Commission that it can fund a surge capacity to dedicate resources to specific contingency operations. State also said training specifically for contingency contracting is unnecessary, as it can assign unique training requirements to adapt to new needs.

The Commission notes, however, that State has experienced significant problems with contingency-contract waste in both Iraq and Afghanistan in areas such as police training, construction of the new embassy compound in Baghdad, and the Pol-i-Charkhi prison in Kabul.<sup>12</sup> And in July 2011, Defense recommended that State's contracting officer's technical representatives (COTRs) receive additional training prior to transitioning contracts in Iraq.<sup>13</sup> These are not reassuring signs that a robust and effective capability to deal with contingency-support needs is in place at State.

While centralized contracting may be a workable organizational structure for State, the Commission believes the department is not set up in a way that reflects the importance of contracting to State's mission. Operational acquisition is buried within the department as part of logistics management within the Bureau of Administration. Operational acquisition is four levels below the Secretary of State—an outdated construct if contracting has truly become a mission enabler and is indeed a core function.

**A telling marker of the status of acquisition at the State Department is that of approximately 200 Senior Executive Service and senior Foreign Service Officers under the authority of the Under Secretary for Management authority, only two are acquisition professionals.**

12. William J. McGlynn, Principal Deputy Assistant Secretary of State for International Narcotics and Law Enforcement Affairs, statement, Commission hearing, January 24, 2011; Joint Audit by the Inspectors General of Department of State and Department of Defense, DoD Report No. D2001-080 and DoS Report No. AUD/CG-11-30, "DoD and DoS Need Better Procedures to Monitor and Expend DoD Funds for the Afghan National Police Training Program," July 7, 2011, I; Department of State IG Report No. AUD/IQO-09-25, "Audit of the Design and Construction of the New Embassy Compound in Baghdad, Iraq," October 2009, 1-4.

13. Defense Procurement and Acquisition Policy, memorandum, "Contracting Officer's Representative Designation – Iraq," July 11, 2011.

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## U.S. Agency for International Development

USAID has made procurement reform part of its agency-wide improvement initiative. During a hearing before the Commission, the agency's administrator testified that USAID has initiated actions intended to achieve contracting reforms. Changes included replacing large multi-year contracts with one-year or 18-month contracts to improve competition.

He also stated that USAID has increased its staff by six contracting officers, increasing the capacity for management and oversight of programs in Afghanistan. Through integration of programs, the agency contract managers have more visibility into subcontractors and fewer layers to deal with.

The USAID administrator said procurement reform is central to the agency's success and that funding from budget requests for FY 2012 would enable improvements in contracting, oversight, and procurement management.

The Commission has recommended establishing an office dedicated to contingency contracting and appointing a senior official to facilitate planning, preparedness, and resource allocation, as well as serving as a focal point for interagency communications and coordination. The USAID administrator declined to endorse the Commission's recommendations:

USAID seeks to ensure that each and every officer has the capability to serve in a country that tomorrow may become our next contingency operation. We therefore require all of our contracting and agreement officers to maintain the capability to work in a contingency environment. At headquarters, we maintain an operations unit for foreign operations within the Office of Acquisition and Assistance. Our preference is to strengthen this office before devoting resources elsewhere.<sup>15</sup>

The Commission applauds USAID's self-assessment and its efforts to effect procurement reform. Development in both Iraq and Afghanistan has been seen as an essential pillar of U.S. long-term goals in both countries and as a key element in counterinsurgency (COIN) strategy, and in this USAID plays a crucial role. But

14. Patrick F. Kennedy, Under Secretary of State for Management, Commission hearing, June 6, 2011.

15. Dr. Rajiv Shah, Administrator, USAID, letter to Commission, July 8, 2011.

with the current pressure for cuts in federal spending, achieving this necessary reinforcement of USAID's capabilities will be a severe challenge.

As with Defense and State, the cultural change within USAID must go to the top of the organization. While requiring all contract-management personnel to maintain the capability to work in a contingency is laudable, the decentralized structure has not served the agency well. The gravest example is the fallout from the collapse of the Kabul Bank, showing that processes and rules that work elsewhere may be unsuitable in the midst of wartime operations.<sup>16</sup> Problems include over-reliance on contractors, missteps in developing requirements, lack of oversight of projects, inability to conduct quality assurance in a hostile environment, funds wasted, and schedules slipped.

As USAID reformulates procurement practices and builds its contracting workforce, the Commission believes this is an ideal time to adjust the way contracts and grants are awarded and managed, and to elevate the role of acquisition within the agency to better advise the administrator, as well as allow smoother coordination and communication with other agencies.

Contingency contracting, especially in an interagency operation, greatly benefits from contract managers and support staff who are experienced in meeting requirements in a restrictive and dangerous environment. The limitations in transportation and sources of supply, the lack of a trained local-contractor workforce, and the need for carefully vetted and armed security personnel may be addressed and mitigated through planning, preparation, and training.

USAID and U.S. Department of Agriculture officials with villagers near Qalat, Afghanistan. (U.S. Air Force photo)



16. Tim Cox, OIG/Afghanistan Director, USAID memorandum, "Review of USAID/Afghanistan's Bank Supervision Assistance Activities and the Kabul Bank Crisis," March 16, 2011.

Without adequate staffing and training, significant waste and possible failures can be expected as State faces the daunting task of the transition in Iraq and

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future transition in Afghanistan. USAID also faces uncertainty if it is once again tasked with accomplishing its development mission in a war zone. Without a focus on contingency contracting in both State and USAID, skill sets, tradecraft, and knowledge gleaned from lessons learned will be soon forgotten and the benefit of any staffing gains will be lost.

### Acquisition as a core function

As noted, Defense, State, and USAID are resistant to changing the status quo by elevating acquisition within each agency. And the Joint

Staff has resisted calls to elevate contingency contracting from its niche within J4 (logistics) to a new J10 directorate.

The Services Acquisition Reform Act of 2003 established the position of the chief acquisition officer (CAO) at agencies other than Defense that are required to have chief financial officers.<sup>17</sup> The Act provided that the CAO shall be a “non-career employee” and shall:

- (A) have acquisition management as that official’s primary duty; and
- (B) advise and assist the head of the executive agency and other agency officials to ensure that the mission of the executive agency is achieved through the management of the agency’s acquisition activities.

The Act assigns authority and functions that include monitoring performance in acquisition, responsibility for related decision-making within the agency, managing the direction of policy, and assessing the skills of acquisition personnel.

The Act also clarified the role of the senior procurement executive (SPE), who will either be the CAO or report directly to the chief acquisition officer “without intervening authority.”

The committee report for the Act indicated the CAO position was created to “eliminate stovepipes and serve as a focal point for acquisition in day-to-day

17. National Defense Authorization Act for FY 2004, sec. 1421, P.L. 108-136, codified at 41 U.S.C. 1702.

operations as well as in agency-wide strategic planning and performance evaluation processes.”<sup>18</sup> Yet departmental stovepipes persist.

At State, the assigned CAO is the Assistant Secretary of State for Administration. That official is responsible for procurement—but procurement is just one item in a grab-bag of unconnected duties and functions that include records management, supply, transportation, logistics, language services, and diplomatic-pouch service, among others.

At USAID, the CAO is a career employee, serves as senior procurement executive (SPE), and reports to the Bureau for Management. The Bureau also oversees the chief information officer (CIO) and the chief financial officer (CFO), both of whom have “dotted-line” reporting relationships to the agency administrator.

**The Commission believes that a CAO should have full-time, primary responsibility for acquisition, not simply have acquisition as one more duty in a long list of unrelated functions.**

The CAO/SPE is the director of the Office of Acquisition Assistance, a career employee within USAID, who has significant acquisition experience in the agency. The CAO reports to the Director of the Bureau for Management, who also has a background in procurement. While this arrangement seems in line with the Act, having 20 direct-report personnel within an organization appears managerially unwieldy and procedurally inefficient.

As provided in the Services Acquisition Reform Act of 2003, the chief acquisition officers for State and USAID should be appointed and properly placed within the agencies in order to effectively “advise and assist the head of the executive agency.” The position is responsible for widely varying duties, one being procurement, that impact both the headquarters staff and posts around the world. The CAO at State is currently positioned three levels below the agency head, within the Assistant Secretary of State for Administration’s organization. This position has in the past been occupied by persons without acquisition experience.

The Commission believes that a CAO should have full-time, primary responsibility for acquisition, not simply have acquisition as one more duty in a long list of unrelated functions. In addition, the CAO needs an extensive background in acquisition to carry out the duties and responsibilities the law requires. Contingency contracting would then be a key responsibility of this renewed position.

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18. U.S. House of Representatives, Committee on Oversight and Government Reform, House Report 108-117, Part 1, May 19, 2003, 32.



Within Defense, State, and USAID, acquisition management must be given the same level of importance as agency offices and directorates dealing with finance, information technology, and human capital. Contingency contracting is central to an agency's ability to carry out its mission and pursue U.S. national strategic interests. This calls for making sure that agencies' acquisition executives are well positioned and properly staffed to advise and assist the agency head.

Meaningful progress towards achieving cultural change by recognizing that acquisition is a mission enabler will be limited as long as agencies resist major reforms that would serve to elevate the role of contracting. Cultural change will not occur without being embraced and actively promoted at the highest levels.

### **RECOMMENDATION 6**

#### **Elevate the positions and expand the authority of civilian officials responsible for contingency contracting at Defense, State, and USAID**

- The Commission endorses the House version of the National Defense Authorization Act for FY 2012, H.R. 1540, sec. 967, which would amend section 138(b) of Title 10 U.S.C., stating in part:
  - (a) One of the Assistant Secretaries shall be the Assistant Secretary of Defense for Contingency Contracting. The Assistant Secretary of Defense for Contingency Contracting is the principal adviser to the Secretary of Defense and the Under Secretary of Defense for Acquisition, Technology, and Logistics on matters relating to planning, funding, staffing, and managing contingency contracting of the Department of Defense.
  - (b) Requirement to Establish Office of Contingency Contracting - The Secretary of Defense shall rename and expand the Office of Program Support in the Office of the Under Secretary of Defense for Acquisition, Technology, and Logistics as the Office of Contingency Contracting. The Office of Contingency Contracting shall be headed by the Assistant Secretary of Defense for Contingency Contracting and shall be responsible for planning, funding, staffing, and managing contingency contracting in the Department of Defense.<sup>19</sup>
- To elevate the role of contingency contracting at the Department of State, supporting the department's mission and ensuring that acquisition is viewed as a full business partner and not a back-room administrative function, State should:
  - establish a separate Bureau of Acquisition led by an assistant secretary for acquisition who has a background as a qualified acquisition

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19. H.R. 1540, sec. 967 (112<sup>th</sup> Congress).

- professional and who would be designated as the agency's chief acquisition officer,
- ensure that the new bureau would have acquisition as its singular focus and primary mission, and
  - establish additional Senior Executive Service positions to support the bureau's work.
- The chief acquisition officer within USAID should be a non-career appointment at an organizational level so as to facilitate advising and assisting the agency head.
  - In addition, Congress should amend 41 U.S.C. 1702 to provide that the CAO's duties include managing policy and monitoring contingency contracting.
  - To elevate the role of contingency contracting within USAID, the CAO should be identified as a "direct adviser" to the Administrator, a similar position to that of the chief financial officer and the chief information officer.

### ► RECOMMENDATION 7

#### **Elevate and expand the authority of military officials responsible for contingency contracting on the Joint Staff, the combatant commanders' staffs, and in the military services**

Defense should:

- extract operational contract support and other contract-support duties and responsibilities from J4 (Logistics) and create a J10 Directorate of Contingency Contracting at the Joint Staff in order to better support contracting in other directorates and missions such as intelligence, communications, linguistic support, and security; and
- create functional alignment by establishing similar J10 organizations at the combatant commands and in the four military services.