

**HOLD UNTIL RELEASED BY THE
COMMISSION ON WARTIME CONTRACTING**

STATEMENT BY

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BEFORE THE

**COMMISSION ON WARTIME CONTRACTING
FOR IRAQ AND AFGHANISTAN**

ON

**THE CONTINGENCY ACQUISITION WORKFORCE:
WHAT IS NEEDED AND HOW DO WE GET THERE?**

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INTRODUCTION

Good morning Chairman Thibault, Chairman Shays, and Commissioners. My name is Charlie E. Williams, Jr., and I am the Director of the Defense Contract Management Agency (DCMA). Thank you for the opportunity to come before you to discuss progress in planning, funding, training and equipping the contingency acquisition workforce, as well as implementation of the recommendations of the October 2007 report issued by the Commission on Army Acquisition and Program Management in Expeditionary Operations entitled, “Urgent Reform Required: Army Expeditionary Contracting.” Our discussion today would be incomplete without acknowledging the continuing heroic efforts of the men and women of the military services and the phenomenal support being provided throughout the theaters of operations by our Government civilians and contractor workforces. Our support to these men and women includes a wide spectrum of services from contingency contract management to Contract Management Services for Army Stryker, High Mobility Multi-purpose Wheeled Vehicle (HMMWV – Humvee), Family of Medium Tactical Vehicles (FMTV), Heavy Lift, and Line Haul Reset contracts in theater. These contracts move repairs forward from CONUS Army Depots and decrease turnaround times for returning equipment to warfighters.

Today, we are here to discuss the contingency contract management function provided by DCMA which faces new challenges each day, as we address the drawdown in Iraq and the subsequent ramp-up in Afghanistan. To say that

support of the warfighter exists in a dynamic environment is an understatement. Over the past three years, we have implemented many changes in our business processes and associated support processes which I will outline during my testimony. These changes provide us a high degree of confidence that we are utilizing the resources at our disposal in an efficient manner to mitigate challenges as they are identified. Our efforts to improve our processes serve not as an end state, but as a state-of-mind within DCMA. We will continue to meet the challenges of contingency contracting with a sense of purpose and will provide warfighters and the American taxpayer, with the best support utilizing the resources at our disposal.

DISCUSSION

As of August of this year, in support of operational contingency contracting services, we have a total deployed workforce of 356 distributed throughout the CENTCOM AOR: 174 in Afghanistan; 151 in Iraq; and 31 at other locations. These figures represent fill rates of 94%, 98%, and 100%, respectively and are comprised of Emergency Essential civilians, volunteer civilians, DCMA assigned military, Joint Manning Document (JMD) Individual Augmentees (IAs), JMD Subject Matter Experts (SMEs), and in a very limited role, a small number of contractors. The preponderance of DCMA unit fill and Service-provided IA workforce are military and civilian acquisition professionals who perform such duties as Administrative Contracting Officers (ACO), Contract Administrators (CA), Quality Assurance Representatives (QAR), and Property Administrators

(PA). Additionally, DCMA leverages the technical support of Service-provided subject matter experts in fields such as building construction, petroleum and water, plumbing, electrical, fire protection, and recently added hazardous material, and air traffic controller skills. In terms of contractor support; there are five information technology specialists provided by US Army contract supporting the connectivity and communications requirements, and a level of effort agreement which equates to approximately 17 Full Time Equivalent (FTE) electrician SME positions provided from the US Army Corps of Engineers (USACE) Task Force Safety Action for Fire and Electricity and Task Force Power contract.

DCMA regularly evaluates the in-theater and CONUS-based resource requirements and capabilities needed to provide contract oversight. The current force assessment is a significant increase from the October 2007 in-theater core functional requirements of 96 to the August 2010 in-theater requirements of 370 which includes the expanded use of subject matter experts described previously.

FUNDING:

From 2001 until 2008 DCMA had a small, clearly defined role performing administration on LOGCAP contracts in-theater. In response to the recognized need for a higher level of contract oversight, we implemented a robust sourcing strategy which included the use of Emergency Essential (EE) personnel. The target to sustain in-theater requirements was 250 EE personnel. In December of 2007, there were 68 EEs on-board. Implementing the scope of the USD P&R Memorandum, “Building an Increased Civilian Deployment Capacity,” dated

February 12, 2008, DCMA increased recruitment and hiring incentives and successfully filled 200 EE positions by December 2009 – an increase of over 300%. In December 2009, DCMA was again tasked with expanding its administration and oversight role in Iraq and Afghanistan. As a result of that expansion, we increased our EE requirements to 276 by the end of 2009. At the present time, DCMA has a deployable EE workforce of 243 which dwell at a 1:1 ratio. Specifically, the EE workforce deploys for 6-months and remains at home station for 6-months before deploying again. The majority of funding to support these increases is primarily through supplemental funding.

In 2010, DCMA requested and received additional funding for more civilian volunteers to meet our increased DCMA unit fill requirements during the unplanned Afghanistan surge. An additional \$8,525,000 in funding was provided for: Continued oversight of the Logistics Civil Augmentation Program (LOGCAP) III contract; support transition to three major contractors under LOGCAP IV (and corresponding oversight); support of additional contract delegations, and LOGCAP workloads created by a 30,000 to 90,000 troop surge in Afghanistan. The change in troop presence resulted in a significant increase in contract oversight functions, thus the need for DCMA to immediately increase “Unit Fills” from 182 to 222, beginning in mid-2010.

As we look to our future commitments DCMA is working to ensure that some amount of EE capability is included within our O&M baseline budget rather than relying totally on supplemental funding obtained during the execution year.

To better ensure success in securing support for our future requirements, we have aligned our proposal to the OSD (AT&L)/ADUSD (DPAP) proposed program which addresses “Contingency Contracting/Contract Administration Manpower Shortfalls.” The program enhancement calls for a steady DCMA contingency contracting and contract administration force structure of 243 EEs and support staff through FY 2013, then deeper reductions in FY 2014 (188 FTE) and FY 2015 (129 FTE) until a target of 64 EEs (and an additional 4 FTE for support staff) is obtained in FY 2016. This drawdown is reflective of the department’s future CCAS strategy which relies on greater service involvement in CCAS.

PLANNING:

Funding alone is not the answer to more effective support of present and future contingency contract oversight. It takes planning to ensure that the right people, equipped in the right manner, and trained in the right processes, are in the right place at the right time. To this end, DCMA has adjusted its Strategic Human Capital Plan and Strategic Plan for FY 2009-2013 and is fully engaged in DOD working groups, boards and councils which are focused on contingency contracting and the acquisition workforce. Additionally, we initiated a “Reachback” approach in both Contract Close Out and Property Administration. These efforts reduce the number of “Boots on Ground,” while at the same time providing the opportunity to leverage expertise and better use our highly qualified workforce. Of significant importance, DCMA has just received its first Flag Officer for DCMA International effective August 27, 2010. This deployable one-

star Flag Officer will provide the senior military leadership, oversight and management to meet the challenges we face.

I mentioned the Iraq drawdown earlier in my statement, however that does not necessarily correspond with a proportional draw down in DCMA's oversight responsibilities. The introduction of LOGCAP IV in Kuwait and Afghanistan, and the expanded responsibility associated with emerging CENTCOM Contracting Command (CCC) contract delegations, will increase the administrative oversight responsibilities of DCMA theater-wide operations.

While continuing to be agile and responsive to the rapid changes on the ground, we are establishing a basic resourcing construct which will be formalized in an instruction to be issued in October 2010 and will take into account the dynamic contract management mission within a contingency environment. This construct will consider multiple inputs which help predict resource needs, but in such a fluid operational environment, no model will provide a single answer to future resource requirements.

DEPLOYMENT PROFILE

We have found that the type of contract being managed, coupled with the deployment cycles of our personnel have presented a great opportunity to improve our processes. In this instance, we have applied the lessons learned and categorized Forward Operating Bases (FOB) and types of contracts into a five-band system. This approach provides predictors as to the number of Civil

Augmentation Program (CAP) type contracts and the number of non-CAP contracts that will be delegated for administration.

Using this historical information, we are able to identify the basis for DCMA contract oversight requirements. Another element of this concept is an increased deployment OPTEMPO of our active duty DCMA military personnel and Reserve volunteers who are eligible to fill an in-theater requirement. Specifically, DCMA has changed from a 1:4 dwell ratio for our non-command active duty military personnel to a 1:3 dwell ratio. This approach will provide additional capacity in support of growing requirements. It will also provide a more stable environment for our personnel while deployed and when redeployed to home station positions. In addition, the 9-month deployments will qualify our deploying personnel for the R&R leave program and provide more stability to CONUS Contract Management Offices (CMO) as they execute their non-deployed institutional mission. Finally, we are requesting our deploying Emergency Essential personnel who dwell at a 1:1 ratio, to consider a 9-month deployment and a 9-month dwell on a case-by-case basis, based on mission need for certain critical positions and skills. We are exploring a similar transition to 9-month options for civilian volunteers.

The expanded workload requirements, coupled with the limited number of military personnel assigned to DCMA, made it impossible to fulfill our Contingency Contract Administration Service (CCAS) requirements using just volunteer and military personnel. The DCMA EE Program has been the support

capability for the Agency and is an on-going capability for rapid deployment in-theater. DCMA deploys 300/400 civilians a year OCONUS. We rely heavily on our civilian deployable workforce of volunteers and EE personnel, which currently comprises two-thirds of our forward deployed force. Our success in building the deployable civilian capability has been achieved by strategically applying and tailoring allowable incentives of up to 25% of their salary and employees can also receive up to a 40 hour time off award upon return depending on performance.

In addition to the resource requirement in support of the simultaneous Iraq “drawdown” and the Afghanistan increased troop strength, DCMA anticipates continued contract oversight requirements in Kuwait to support increases in retrograde operations.

DOD PARTNERSHIP

Other DCMA planning efforts include the use of embedded Liaison Officer (LNO) support to the Joint Staff J-4 and each of the COCOMs. These individuals engage in planning activities with the COCOM staff to obtain the Command’s strategic direction and ensure that key members of the Combatant Commanders staff are aware of the Agency’s mission and capabilities. The LNOs interject DCMA support capabilities into the COCOM theater operations plans (OPLANs) and concept plans (CONPLANs). Since Component Command headquarters execute contracts to support theater operations, LNOs also ensure that those Component Commands’ key staff elements are kept up to date on the Agency’s capabilities in supporting contingency operations.

Efforts to support the DOD enterprise have lead DCMA to expand support of COCOM sponsored exercises and we are fully engaged in Component Command and Service pre-deployment training and exercises. DCMA has successfully achieved a five-fold increase in exercise participation and first-ever use of Contingency Contract Administration Master Scenario Event Lists (MSEL) in 15 major events, including eight Unified Combatant Command (UCC) exercises, two JFCOM United Endeavor unit validation exercises, five Unit Mission Readiness Exercises (MRXs) as well as the deployment of enhanced training for theater Contracting Officer Representatives. DCMA refocused the Agency Mission Essential Task List (AMETL) from Headquarters-centric to organizational (down three tiers); which will lead to an improved fidelity of readiness reporting and strengthened linkage to COCOM Joint METLs.

The integration of DCMA contract support capabilities with the COCOM and Component Commands has enabled DCMA to align an Initial Response Capability (IRC) as recommended in the 2009 Combat Support Agency Review Team (CSART) report. The DCMA Initial Response Capability (IRC) was established to address this need. It provides an initial entry Contingency Contract Administration Services (CCAS) capability and assessment of follow-on requirements for enduring contract administration of expeditionary and logistics sustainment contracts to properly size resources needed to preclude gaps in oversight.

Comprised of two Initial Response Teams (IRTs) of Subject Matter Experts in CCAS, the IRC represents DCMA's "call forward" capability. The first IRT, Team Alpha, maintains readiness for "worldwide deployment" within 72 hours of request by operating forces requiring DCMA Operational Contract Support (OCS) utilizing DCMA resources. The second IRT, Team Bravo, maintains readiness for "worldwide deployment" within 45 days of request by operating forces requiring Operational Contract Support (OCS) utilizing DCMA resources. The Initial Response Team mission is to, upon receipt of a warning order, marshal at a pre-determined location, assess the crisis situation using available intelligence, deploy, conduct site surveys, submit to higher headquarters an assessment of requirements for follow-on contract administration personnel to support the sustainment effort, collect lessons learned, redeploy and reset in order to be ready to respond to further tasking. IRTs to support this capability must be maintained in a high state of readiness, both in terms of personnel and equipment, and be prepared to deploy within 72 hours for Team Alpha and 45 days for Team Bravo, of a bona fide execution order.

TRAINING:

Although our efforts to adequately plan and fund the DCMA in-theater mission are widespread and comprehensive, we have been challenged with the limitations imposed by short deployment cycles of personnel and the training challenges this presents. In an attempt to gain the most from our assets and minimize the learning curve, we have worked internally and with our mission

partners to establish effective pre-deployment training. As an example, we partnered with the Logistics Civil Augmentation Program (LOGCAP) Program Manager to meet deploying units at training centers conducting “Service-Provided Contracting Officers Representative (COR) Training.” As part of that training, DCMA has incorporated a module which establishes a communication framework and in-theater expectations for deploying CORs. The module consists of a DCMA orientation which includes our surveillance process and procedures. A joint audit is also conducted to ensure the CORs fully understand their role and responsibilities. To validate this process, our QARs conduct periodic checks with the CORs.

DCMA has also implemented independent training initiatives designed to enhance the preparedness of assets once they are in-theater. The first step is ensuring we have the right people with the right skills and the right training. To that end, DCMA is working to ensure that mission needs are as closely aligned to the skill sets of the workforce as possible. This functional-based competency identification provides the ability to standardize and execute training requirements to the maximum effect by allowing the DCMA Combat Support Center to better manage resources by matching and placing employees in OCONUS positions. Once the employees have been identified for OCONUS positions, we have designed a program to maximize the benefit of our human capital while in theater – Basic Contingency Operations Training (BCOT).

BCOT is the Agency's most fundamental contingency training program and supports DCMA, Department of Defense (DoD), and Joint Manning Document (JMD) Individual Augmentee (IA) personnel preparing to perform Contingency Contract Administration Services (CCAS) duties in Afghanistan, Iraq, or Kuwait areas of operations (AOR) and has a throughput of 659 students in FY 2010. This course addresses general policies, processes, and responsibilities that apply to all personnel assigned to a Contingency Contract Administration Services (CCAS) position, as well as specific policies, processes, and responsibilities that apply to functional area personnel operating in the CCAS environment. The course orients all personnel identified for a CCAS assignment to applicable policies, procedures, and responsibilities, and is divided into three primary areas: (1) introduction to CCAS administrative policies and processes; (2) overview of DCMA CCAS areas of responsibility (AOR) and functional areas' roles and responsibilities; and, (3) functional area breakout sessions.

To facilitate the continuous improvement in training, the DCMA Combat Support Center established a BCOT Advisory Working Group (AWG) to identify and validate enduring training requirements. The BCOT AWG Charter provides enterprise-wide BCOT stakeholder representation in the evolutionary development of consistent and standardized training products. The BCOT AWG receives input on suggested course enhancements from Agency leadership, deployees, theater commanders and senior leaders, and other internal and external partners. This input is provided as action items to the BCOT AWG on a monthly basis for further

consideration, and if accepted, are assigned a lead action officer to develop an appropriate course of action, milestones, and estimated completion date.

During FY 2010, the Basic Contingency Operations Training (BCOT) expanded from traditional LOGCAP training to include chartered programs to align curriculum with high-risk CCAS quality assurance functions. Forty percent of the EE workforce has completed the CCAS Petroleum/Water Quality Assurance Training, and 94% of the deploying QARs have completed Enhanced Food Service/Safety Quality Assurance Training sponsored by Army Center for Excellence for Sustainment (ACES) at Fort Lee, VA. We have doubled the instructional hours devoted to LOGCAP and TWCA contract administration for deploying ACOs and CAs and responded to an urgent and unplanned competency-based training requirement – in support of the AFGHAN-First initiative to award contracts in order to expand the AFG industrial base in Kabul. Also, QARs destined for AFG were provided classroom and OJT instruction for clothing and textile commodity and boot manufacturing.

BCOT has also been enhanced to include clear identification of key acquisition positions and the associated Contingency Contract Administrative Services (CCAS) competencies necessary to perform both core and non-core functional specialties and has trained 635 students in FY 2010. During BCOT training Administrative Contracting Officers (ACO), Quality Assurance Representatives (QAR), and Property Administrators (PA), receive instruction on the following but not limited to:

ACOs

- Corporate ACO briefing
- ACO Change Letters (ACLs)
- ACO Roles and Responsibilities
- ACO Database
- Material Requisitions
- Change Orders
- Letter of Technical Direction
- Performance Evaluation Board
- Award Fee Evaluation Board

QARs

- QAR Roles and Responsibilities
- Theater Quality Plans
- Corrective Action Requests
- Contracting Officer's Representatives
- Statement of Work
- Contractor Performance Assessment
- Food Service Safety & Sanitation Training & DFAC Orientation
- Petroleum and Water

PAs

- PA Roles and Responsibilities
- Property Transfers
- Types of Property Encountered in the Field and Cannibalization of Government Property
- Loss, Theft, Damage & Destruction
- Capital Rehabilitation & Preventative Maintenance
- Fair Wear and Tear
- Property management System Analysis
- Types of Contracts Encountered in the Field
- Disposition of Government Property

Lastly, to sustain our training and continuity within Theater, each CMO conducts a five to seven day Transfer of Authority process between incoming and outgoing personnel. This process is facilitated through the use of continuity books and check lists.

EQUIPPING:

The final piece to effective and efficient performance of the contingency contract management mission is equipping the workforce to succeed. In a typical setting, such a term would equate to physical structures and tangible assets. Despite the fact that the environment in which we operate in-theater is anything but typical, DCMA is committed to equipping the workforce with tools relevant to the mission – policies, procedures and guidance. All that said, equipping the workforce is not just a function of policies, procedures and guidance. Equipping the workforce must also ensure that the most valuable asset – our people – are as highly qualified and trained as possible. Our commitment to this ideal is evidenced in the formal training I cited earlier in my statement this morning. It is also evident in our commitment to provide exposure and experience to the different elements that characterize contingency contracting. Some of the additional initiatives that are designed to enhance the readiness of the contingency contracting workforce are as follows:

- DCMA partnered with the LOGCAP Program Manager and deploying units as a forum to embed and more formally integrate DCMA into both Army contracting officer representative orientation training and Army pre-deployment exercises.
- Increased DCMA participation in Service-sponsored exercises that incorporate employment of LOGCAP, AFCAP, and theater-wide contracts.

- Recently, DCMA participated in UNIFIED ENDEAVOR, a mobilization readiness exercise, to train select U.S. Army units deploying to Iraq and Afghanistan on contingency contract administration operations. Future DCMA participants in such exercises will include officers who recently served as Commanders and Contracting Officers in CCAS billets. I can think of no better group of individuals to impart the most salient knowledge of CCAS in the current theater of operations.
- Leveraged the enormous benefit to be gained from operating in a joint environment by participating in select joint training and Unified Combatant Command (UCC)-sponsored exercises. Such events create excellent "train as we fight" opportunities for DCMA personnel, UCC staff, and Service component participants. For example, we participated in PANAMAX 09 sponsored by the U.S. Southern Command, which included specific exercise scenario play involving our CCAS initial response capability (IRC).
- Developed a lessons-learned program using the Joint Lessons Learned Information System to enhance our planning and execution of CCAS.
- Published our Agency Training Plan in the automated Joint Training Information Management System which will allow us to better integrate our training requirements, exercise participation, and evaluation and assessment results with that of the Warfighter.
- Our forward Contract Management Offices continuously work with and participate in US Forces-Iraq/Afghanistan mission planning meetings to ensure we understand potential mission requirements - Iraq Surge and now Drawdown (forward operating base Closures) to Afghan mission

expansion. We reevaluate and confirm requirements and establish mitigating strategies to fill the gap for specific subject matter expert skill sets.

SUMMARY

In closing, I want to assure you that DCMA, at both the management and field level, is committed to learning from the experiences gained in Iraq and Afghanistan, and is working internally and across the DOD enterprise to refine business processes, procedures and policies to meet the challenges of today and the contingencies of tomorrow. Our warfighters and taxpayers deserve no less. Again, thank you for the opportunity to appear before the Commission and I welcome your questions.