

National Association of Government Contractors

Statement by

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on behalf of the

National Association of Government Contractors

for the

COMMISSION ON WARTIME CONTRACTING IN IRAQ AND AFGHANISTAN

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Chairman Shays, Chairman Thibault, and distinguished commissioners:

On behalf of the National Association of Government Contractors (NAGC), thank you for the opportunity to submit a written statement for your consideration. Our remarks are presented on behalf of the 120,000 contractors and businesses our association represents who are working both within the United States and abroad.

NAGC appreciates the important work the Commission has undertaken. This Commission has been charged with studying, assessing and making recommendations concerning wartime contracting for the reconstruction, logistical support, and the performance of security functions in Iraq and Afghanistan. The government contracting and procurement workforce supports the policy priorities and missions for the U.S. Government and demonstrates the effectiveness of public-private partnerships. The Commission's efforts to identify the challenges and opportunities that exist in *both* the government and contractor settings – and more importantly, how to address those issues – will have a long-term impact on overseas contingency operations.

There are a large number of contractor employees – nearly 270,000 – providing support for operations in Afghanistan and Iraq. These businesses and their employees are critical to the government's success in contingency operations; they provide essential support to military

operations and in the advancement of policy objectives. Many of these companies and individuals view this as not only a job or a paycheck, but as an opportunity to support U.S. missions abroad. Indeed, the loss of contractors in Iraq and Afghanistan has been staggering.

Unfortunately, the vast majority of media coverage surrounding contractors focuses on those limited circumstances of unethical or criminal behavior or talks about whether the contractor workforce is too large or small. In both cases, this creates a climate whereby contractors' contributions to supporting overseas contingency operations are devalued and the system is broadly cast as corrupt and unethical.

But, the Commission's charge is to look at the systemic challenges facing contingency contracts; to answer questions about whether the U.S. government is being a good steward of taxpayer dollars and whether contractors filling an appropriate role in supporting military operations.

One of the critical issues that has emerged from the Commission's work is that while U.S. contingency operations depend upon contractor support, the federal government has great difficulty deploying adequate numbers of properly trained contract managers and auditors overseas. This jeopardizes the efficiency, effectiveness and even safety of contractors abroad. Contract managers and auditors must have the resources, technical knowledge, and experience necessary to fully understand the role of a contractor and continuously assess the changing environment.

Contractors working contingency operations are working in different circumstances than their stateside counterparts. These conditions should factor into how the government deals with problems. As an association, we have always supported transparency, quality performance standards and accountability. We recognize that in those instances when the system fails – regardless of who is at fault – all parties suffer immeasurable loss in credibility with taxpayers, policymakers and even foreign governments.

However, we are concerned about the Commission's recommendation to require agencies to suspend or debar companies accused of wrongdoing. In its latest report released Feb. 24, the

commission proposed making suspensions mandatory for a predetermined amount of time against companies because of contract-related indictments. The recommendation would remove the discretion of the suspension and debarment official.

We believe that in those instances where suspension or debarment in the appropriate course of action, that a streamlined process should be considered. Current government officials have often said that the existing process for is too complex; the result has been an overreliance on administrative agreements. Streamlining the process would allow issues to be resolved in a more efficient and effective manner; it may also increase transparency and create greater confidence in the system.

So much of the discussion has historically focused on how contracts are awarded and that process, we respectfully suggest that the planning and contract management pieces are equally important in this process. Deficiencies in this area create uncertainty about expectations with contractors, a lack of support from local authorities and create great inefficiencies in the work. Further, they undermine the relationship that exists between contractors, the government and the overall mission of contingency operations.

Finally, we believe it is necessary for agencies to retain focus on the need for quality oversight – not an increase in paperwork or reporting requirements – but accountability based on outcomes. Those outcomes can only be measured if they are clearly articulated and evaluated by qualified contract managers and auditors.

Again, NAGC appreciates the opportunity to offer remarks and feedback on the work the Commission has undertaken. Thank you for your leadership.