



Highlights of [GAO-05-328](#), a report to the Secretary of Defense

Why GAO Did This Study

The Logistics Civil Augmentation Program (LOGCAP) is an Army program that plans for the use of a private-sector contractor to support worldwide contingency operations. Examples of the types of support available include laundry and bath, food service, sanitation, billeting, maintenance, and power generation. LOGCAP has been used extensively to support U.S. forces in recent operations in southwest Asia, with more than \$15 billion in estimated work as of January 2005. While we issued two reports on LOGCAP since 1997 that made recommendations to improve the Army's management of the contract, broader issues on coordination of LOGCAP's contract functions were beyond the scope of our earlier work. This report assesses the extent to which the Army is taking action to improve the management and oversight of LOGCAP and whether further opportunities for using this contract effectively exist.

What GAO Recommends

GAO is recommending that the Secretary of Defense designate a LOGCAP coordinator who would be responsible for ensuring that the contract is being used as effectively as possible. This coordinator would advise the Secretary of unresolved differences on the use of the contract. DOD reviewed a draft of this report and agreed with its recommendations.

www.gao.gov/cgi-bin/getrpt?GAO-05-328.

To view the full product, including the scope and methodology, click on the link above. For more information, contact William M. Solis at (202) 512-8365 or solisw@gao.gov.

DEFENSE LOGISTICS

High-Level DOD Coordination Is Needed to Further Improve the Management of the Army's LOGCAP Contract

What GAO Found

The Army has taken or is in the process of taking actions to improve the management and oversight of LOGCAP on the basis of our earlier reporting. The actions that the Army has completed or has underway include (1) rewriting its guidance, including its field manual for using contractors on the battlefield and its primary regulation for obtaining contractor support in wartime operations; (2) implementing near- and longer-term training for commanders and logisticians in using the contract; (3) developing a deployable unit to assist commands using LOGCAP; (4) restructuring the LOGCAP contracting office to provide additional personnel resources in key areas; and (5) taking steps to eliminate the backlog of contract task orders awaiting definitization—that is, coming to agreement on the terms, specifications, and price of the task orders—and conducting award fee boards.

While improvements have been made, GAO believes that the Department of Defense (DOD) and the Army need to take additional action in two areas. First, although DOD continues to agree with our July 2004 recommendation to create teams of subject matter experts to review contract activities for economy and efficiency, it has not done so yet because the need to respond to statutory requirements took precedence. Prior GAO reviews have shown that when commanders look for savings in contract activities, they generally find them, as illustrated in the table.

Savings Reported Through DOD's Review of Contract Activities

Contract	Percent savings	Comments
Balkans Support Contract	10	Savings of \$200 million by reducing services that were no longer needed
LOGCAP (Djibouti)	18	Savings of \$8.6 million by reducing services

Sources: DOD (data); GAO (analysis).

The second area needing attention is the coordination of contract activities between DOD components involved with using LOGCAP. While the Army Materiel Command (AMC) is the executive agent for LOGCAP, other DOD components also play important LOGCAP roles, including the combatant commander, individual deployed units, and the Defense Contract Management Agency. The effective and efficient use of the contract depends on the coordinated activities of each of these agencies. However, at the DOD level, no one is responsible for overall leadership in using the contract and, while AMC has sought to influence the way in which the other components carry out their roles, it does not have command authority over the other components and thus its influence is limited. For example, AMC knew that planning for the use of LOGCAP for Operation Iraqi Freedom was not comprehensive but lacked the command authority to direct better planning. AMC officials believe that training will resolve these problems over time. However, given the importance of LOGCAP to supporting military operations and the billions of dollars being spent on LOGCAP activities, we believe that more immediate and direct oversight is needed.