

**RECORD VERSION**

**STATEMENT BY  
MS. TINA BALLARD  
DEPUTY ASSISTANT SECRETARY OF THE ARMY  
(POLICY AND PROCUREMENT)**

**BEFORE THE**

**SUBCOMMITTEE ON READINESS  
COMMITTEE ON ARMED SERVICES  
UNITED STATES HOUSE OF REPRESENTATIVES**

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**ON THE ROLES AND MISSIONS OF CONTRACTORS THAT SUPPORT THE  
DEPARTMENT OF DEFENSE AND THE MILITARY SERVICES**

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**INTRODUCTION**

Mr. Chairman and distinguished members of the Subcommittee on Readiness, thank you for this opportunity to report to you on the roles and missions of contractors that support the Department of Defense and the military services, specifically the United States Army. It is my privilege to represent the Army leadership and the military and civilian members of the Army's contracting and acquisition workforce, and the Soldiers who rely on us to provide them with world-class weapon systems, equipment, and services so they can successfully accomplish any mission at anytime, anywhere in the world.

This is a time of tremendous change, and we are most grateful for your wisdom, guidance, and strong support. Over the last year, our Army has met the demands of the Global War on Terrorism with more than 330,000 troops deployed around the world in more than 120 countries. Our Army was instrumental in the defeat of Saddam Hussein and the subsequent liberation of more than 456 million people from oppression and despair. Our Army remains a central and critical participant in Operation Iraqi Freedom (OIF) and Operation Enduring Freedom (OEF) in Afghanistan. Our contracting workforce is at the forefront in the reconstruction and humanitarian relief effort in Iraq and I would like to briefly highlight the Army's significant role.

## **THE ARMY AS EXECUTIVE AGENT**

On May 21, 2003, the Deputy Secretary of Defense designated the Secretary of the Army as the Department of Defense Executive Agent for the Office of Reconstruction and Humanitarian Assistance, later to become the Coalition Provisional Authority (CPA) in Iraq, with responsibility to provide administrative, logistics, and contracting support for the relief and reconstruction for the people of Iraq. On January 14, 2004, the Deputy Secretary of Defense further assigned responsibility for Acquisition and Program Management Support for CPA to the Secretary of the Army to include all aspects of contracting and program management. As such, the Army is responsible for the execution of the \$18.6 billion appropriated by the U.S. Congress for the reconstruction and humanitarian relief effort.

To date, the Army has awarded more than 2,800 contract actions valued at more than \$11.7 billion that are directly enabling the citizens of Iraq to move towards self-governance. Reconstruction and relief efforts have produced the following important outcomes:

- Iraq currently exports approximately 1.6 million barrels of oil each day. Crude oil exports are the major source of funding for the Development Fund for Iraq. In 2003, the crude oil export totaled \$5.1 billion. As of June 6, 2004, crude oil export revenue for the year is already at \$7.4 billion.
- Completed water and sanitation projects across Iraq that will benefit 14.5 million Iraqis.
- Immunized more than 5 million children, ages six to 12, for Measles, Mumps, and Rubella.
- More than 1,200 preventive health clinics and 240 hospitals are now operating in Iraq.
- Nearly 2,500 schools across Iraq have been rehabilitated, more than 32,000 teachers and administrative staff have been trained, and over

8.7 million textbooks have been printed and distributed throughout Iraq.

- Pre-war electrical peak capacity was 4,400 megawatts. By June 30, 2004, the rehabilitated electrical grid will be capable of a peak generation capacity of 6,000 megawatts and 120,000 megawatts per hour of daily production.
- The total number of telephone subscribers in Iraq is over 1.2 million, 45 percent above pre-war levels. There are also 55,000 Internet subscribers in Baghdad, up from only 3,000 in 2002.

## **PERSONNEL**

Our contracting personnel have been on the ground in Iraq since June 2003. We now have a total of 65 individuals there. They are multi-Service and civilian: four Army; five Navy; one Marine; 14 Air Force; and 41 civilians. They are courageous, dedicated volunteers who are doing a phenomenal job under very tough, dangerous conditions.

## **CONTRACTORS ON THE BATTLEFIELD**

Civilian contractors have become an indispensable part of our nation's warfighting and peacekeeping capability. Since 1775, military leaders have relied on civilian contractors to fulfill the needs of their troops on campaign. With this in mind, the Army has taken a number of important steps to manage our contractors in the field to ensure that they are both effective and economical. Let me provide a few examples.

The Army is the first military service to provide a contract clause dealing with Contractors Accompanying the Force. An interim Army Federal Acquisition Regulation Supplement clause, published in the Federal Register on November 28, 2003, was designed to provide consistent guidance across all Army

contracts. A comprehensive “Contractors Accompanying the Force Guidebook” was developed as a companion document to provide operational details, and it included sample language that could be tailored for individual needs. It’s clear that contractors who accompany the Army in theater need to be completely aware of the full spectrum environments in which they will likely operate. The proper mechanism for this information is the contract; and the purpose of the clause and “Guidebook” is to provide contractor deployment information in Army contracts accurately and consistently. It is also designed to enlighten the operational community, including field commanders and logisticians, on what they can expect from support contractors. In addition, the Army has published a field manual (FM 3-100.21) entitled “Contractors on the Battlefield.” The Army takes great pride in a report dated June 24, 2003, from the General Accounting Office stating that of the four military services, only the Army has developed substantial guidance for dealing with contractors.

In the Army’s continued efforts to improve management of service acquisitions, the Army Services Strategy Panel (ASSP), which I chair, is focused on the importance of developing and maintaining sound acquisition strategies to ensure services are properly planned, based upon clear, performance-based requirements with required outcomes that are identified and measurable, and acquired by smart business arrangements. ASSPs will be conducted as early as possible in the acquisition planning process to develop a systematic and disciplined approach to achieve an affordable, efficient, and effective acquisition.

Another issue of key importance in maintaining oversight and management of contractors is the Contracting Officer’s Representative (COR). A COR is an authorized representative of a Contracting Officer who assists in the technical monitoring or administration of a contract. In the Army, the COR must be a Government employee who has been trained as a COR and authorized by the Contracting Officer to act in that capacity. The COR has several major duties and responsibilities, including the following:

- verify that the contractor performs the technical requirements of the contract in accordance with the contract terms, conditions, and specifications;
- emphasize the quality provisions for both adherence to the contract provisions and to the contractor's own quality control program;
- perform inspections and verify that the contractor has corrected all deficiencies;
- maintain liaison with the Contracting Officer and direct communications between the Contracting Officer and the contractor.

## **CONCLUSION**

I have a deep appreciation for the courage, competence, dedication, and hard work of our contracting personnel. Their work has been – and continues to be – performed in accordance with proper procedures, by military service members and civilians who are concerned and committed to accomplishing their work under the toughest and most austere conditions.

Our contractors and contracting personnel are often the unsung heroes of any deployment. Their customers are the warfighters – the men and women who depend on them to do their jobs. The success of our warfighters is linked directly to the success of the contracting workforce. We must continue to work hard and work together with industry to develop win-win situations where industry makes a fair profit and our warfighters get better products and services to accomplish their missions quickly and decisively and return home safely.