



INSPECTOR GENERAL
DEPARTMENT OF DEFENSE
400 ARMY NAVY DRIVE
ARLINGTON, VIRGINIA 22202-4704

JAN 28 2005

MEMORANDUM FOR AUDIT FOLLOWUP FOCAL POINT, OUSD(AT&L)

SUBJECT: Followup on GAO Report No. GAO-03-695, "Military Operations: Contractors Provide Vital Services to Deployed Forces but Are Not Adequately Addressed in DoD Plans," June 24, 2003 (OSD Case No. 350239)

In accordance with DoD Directive 7650.3, we are evaluating management action on the subject report's agreed-upon findings and recommendations. Followup status is reflected in the Defense Audit Management Information System (DAMIS) and, as appropriate, in reports to the Secretary of Defense, GAO, and Congress. At this time, we are seeking the current status of actions taken on the following recommendations.

Recommendation 1.: Direct the heads of DoD components to comply with DoD Instruction 3020.37 by completing the first review of contracts to identify those providing mission-essential services. The review should be completed by the end of calendar year 2004.

Information requested: In comments to the draft report, your office stated that DoD would explore how best to conduct a review of contractor services supporting deployed forces. Please provide a copy of any reviews of contracts conducted to identify mission-essential services and plans for any continuing reviews. If actions on this recommendation are ongoing, please explain and provide an estimated completion date.

Recommendation 2.: Direct the Under Secretary of Defense for Personnel and Readiness to develop procedures to monitor the implementation of DoD Instruction 3020.37.

Information requested: Comments from your office stated concurrence with the recommendation. Have the procedures been developed? If so, please provide a copy of the procedures. If not, please explain and provide an estimated completion date.

Recommendation 3.: Develop DoD-wide guidance and doctrine on how to manage contractors that support deployed forces. The guidance should

- a. establish baseline policies for the use of contractors to support deployed forces,

- b. delineate the roles and responsibilities of commanders regarding the management and oversight of contractors that support deployed forces, and
- c. integrate other guidance and doctrine that may affect DoD responsibilities to contractors in deployed locations into a single document to assure that commanders are aware of all applicable policies. Additionally, direct the Service Secretaries to develop procedures to assure implementation of the DoD guidance.

Information requested: Comments from your office to the draft report stated concurrence with the recommendation. Has the guidance been developed? If so, please provide a copy of the guidance highlighting the requirements from the recommendation, as well as a copy of any procedures that the Services developed to implement the DoD guidance. If not, please explain and provide an estimated completion date.

Recommendation 4.: Develop and require the use of standardized deployment language in contracts that support or may support deployed forces. The Defense Federal Acquisition Regulation Supplement should be amended to require standard clauses in such contracts that are awarded by DoD and to address deployment in orders placed by DoD under other agencies' contracts. The language should address the need to deploy into and around the theater, required training, entitlements, force protection, and other deployment-related issues.

Information requested: Comments from your office to the draft report stated concurrence with the recommendation. Has the standardized deployment language been developed as specified in the recommendation and requirements put into place? If so, please provide a copy of the language, Defense Federal Acquisition Regulation Supplement amendment, and any other related guidance that DoD developed and issued. If not, please explain and provide an estimated completion date.

Recommendation 5.: Develop training courses for commanding officers and other senior leaders who are deploying to locations with contractor support. Such training could provide information on the roles and responsibilities of the Defense Contract Management Agency and the contracting officer's representative and the role of the commander in the contracting process and the limits of the commanders' authority. Also, contracting officers should ensure that those individuals selected as contracting officer's representatives complete one

of the established contracting officer's representative training courses before they assume their duties.

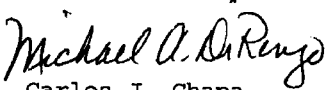
Information requested: In comments to the draft report, your office agreed on the need for appropriate training on DoD policies and guidance for the use of contractor employees that accompany deployed forces. Please provide copies of any relevant portions of training materials developed as specified in the recommendation as well as requirements for contracting officer's representatives to complete the established training courses before assuming their duties. If actions are ongoing, please explain and provide an estimated completion date.

Recommendation 6.: Direct that the Under Secretary of Defense (Comptroller) implement the changes to the department's Financial Management Regulations previously agreed to with the following modifications:

- a. the Financial Management Regulations should specify that the biannual report include a synopsis of the services being provided and a list of contractor entitlements;
- b. the report should include all contracts that directly support U.S. contingency operations including those funded by the services base program accounts; and
- c. the changes should be finalized by January 1, 2004.

Information requested: In comments to the draft report, your office agreed with changing the Financial Management Regulations. Please provide a copy of any changes implemented to the Financial Management Regulations highlighting the specifications of the recommendation. If actions are ongoing, please explain and provide an estimated completion date.

Please forward your response to us by **February 28, 2005**. Address mail to the Technical Director Audit Followup & GAO Affairs, Office of the Inspector General, Department of Defense, 400 Army Navy Drive. You may transmit mail through the OSD Mail Room, 3A948, the Pentagon. The action officer for this case is Ms. Noelle Robinson. You may reach her at (703) 604-9624, fax (703) 604-9608, or e-mail <nrobinson@dodig.osd.mil>.

for 
Carlos J. Chapa
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