



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

MAR 13 2006

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

SUBJECT: Followup on GAO Report, GAO-03-695, "MILITARY OPERATIONS: Contractors Provide Vital Services to Deployed Forces but Are Not Adequately Addressed in DoD Plans," June 24, 2003 (GAO Review Code 350239)

Pursuant to the requirements of DoD Directive 7650.3, the subject case is being evaluated to ensure that adequate management action is taken on the report's agreed-upon findings and recommendations. Followup status will be reflected in the Defense Automated Management Information System (DAMIS) and, as appropriate, in reports to the Secretary of Defense, the GAO, and the Congress.

At this time, we request a current status report on actions in process to implement recommendations 1-5 of the subject report.

Recommendation 1: The GAO recommended that the Secretary of Defense 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: November 10, 2005, comments from your office stated that OUSD(P&R) will complete the procedures for conducting the review by January 2006. Have the procedures been issued? If so, discuss the action taken to conduct a review of contractor services supporting deployed forces and if the review is ongoing or completed. If the action has been completed, provide support documentation and identify whether the recommendation has been completed. If not completed, please explain and provide an estimated completion date.

Recommendation 2: The GAO recommended that the Secretary of Defense direct the Under Secretary of Defense for Personnel and Readiness to develop procedures to monitor the implementation of DoD Instruction 3020.37.

Information Requested: November 10, 2005 comments from your office stated that the estimated completion date for OUSD(P&R) to complete the procedures is January 2006. Discuss the action taken to complete the procedures to monitor the implementation of DoD Instruction 3020.37. If completed, please provide a copy of the procedures and identify whether the recommendation has been completed. If not, please explain and provide an estimated completion date.

Recommendation 3: The GAO recommended that the Secretary of Defense 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, GAO recommended that the Secretary of Defense direct the Service Secretaries to develop procedures to assure implementation of the DoD guidance.

Information Requested: November 10, 2005 comments from your office stated that DoD Instruction 3020.41 was issued on October 3, 2005 and that the new instruction provides guidance in all areas identified in the recommendation. Discuss whether additional action will be taken to direct the Service Secretaries to develop procedures to assure implementation of the instruction. If so, provide copies of directives to the Services and identify whether the recommendation has been completed. If not, please explain and provide an estimated completion date.

Recommendation 4: The GAO recommended that the Secretary of Defense 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 DoD awards and to address deployment in orders that DoD places 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.

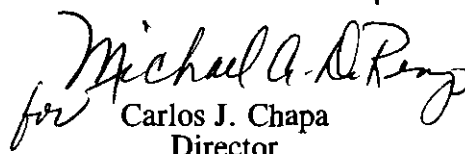
Information Requested: November 10, 2005 comments from your office stated that your office is working on amendments to the DFARS and a FAR interim rule (FAR Case 2005-011) and that the estimated completion dates are December 2005 and January 2006 respectively. Have the amendments and FAR interim rule been finalized? If so, please provide support documentation and identify whether the recommendation has been completed. If not, please identify the estimated completion date.

Recommendation 5: The GAO recommended that the Secretary of Defense develop training courses for commanding officers and other senior leaders who are deploying to locations with contractor support. The 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: November 10, 2005 comments from your office stated that the Defense Acquisition University is in the process of developing a Contractors Accompanying the Force Continuous Learning Module, and that the Defense Systems Management College is preparing a ACQ 403 Defense Acquisition Executive Overview Workshop that will concentrate

on Contingency Operations and Contractors Accompanying the Force and will be presented to a group, or groups, of Army General Officers and Senior Executives. Discuss the status of the development of the training module and the workshop. If they have been completed, please discuss and provide support documentation and identify whether the recommendation has been completed. If not, please provide the estimated completion date.

Please forward this information to us by **April 7, 2006**. Address mail to the Director, Audit Followup & GAO Affairs, Office of the Inspector General, Department of Defense, 400 Army Navy Drive, Arlington, VA, 22202. The action officer for this case is Tom Wright. You may reach him at 604-9652, fax 604-9608; or by e-mail at Thomas.Wright@dodig.mil.


for Carlos J. Chapa
Director
Audit Followup & GAO Affairs

Attachment: November 10, 2005 Memorandum from OUSD(AT&L)



OFFICE OF THE UNDER SECRETARY OF DEFENSE
3000 DEFENSE PENTAGON
WASHINGTON, DC 20301-3000

NOV 10 2005

ACQUISITION
TECHNOLOGY
AND LOGISTICS

MEMORANDUM FOR TECHNICAL DIRECTOR, AUDIT FOLLOWUP &
GAO AFFAIRS, OFFICE OF THE INSPECTOR
GENERAL, DEPARTMENT OF DEFENSE

THROUGH: DIRECTOR, ACQUISITION RESOURCES AND ANALYSIS ^{CWR} 11/10/05

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)

This is in response to your September 26, 2005, memorandum requesting the status of actions taken on subject report. The following is provided as an update:

Information Requested on Recommendation 1:

Comments from your office stated that a review of contractor services supporting deployed forces is pending, waiting for final procedures to be issued by the Under Secretary of Defense for Personnel Readiness, which are expected to be completed by June 2005. Please discuss whether the procedures have been issued and if the review is ongoing or completed. If completed, please provide support documentation covering the results of the review. If not, please explain and provide an estimated completion date.

DoD Response:

OUSD(P&R/Civilian Personnel Policy(CPP)) has not yet completed development of the necessary procedures. We expect the procedures to be completed by January 2006.

Information Requested on Recommendation 2:

Comments from your office stated that the Office of the Under Secretary of Defense for Personnel and Readiness expects to have procedures to monitor the implementation of DoD Instruction 3020.37 completed by June 2005. Have the procedures been developed? If so, please provide a copy of the procedures. If not, please explain and provide an estimated completion date.



DoD Response:

OUSD(P&R/PPP) has not yet completed development of the necessary procedures. We expect the procedures to be completed by January 2006.

Information Requested on Recommendation 3:

Comments from your office to the draft report stated that the draft DoD Directive and a draft DoD Instruction, which will provide guidance in the areas identified in the recommendation, were undergoing final coordination and should be finalized by June 2005. Have the directive and instruction been finalized? 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.

DoD Response:

The DoD Instruction 3020.41, Contractor Personnel Authorized to Accompany the U.S. Armed Forces (attached), was issued October 3, 2005. A copy may be found at <http://www.dtic.mil/whs/directives/corres/html/302041.htm>. This instruction combined the draft instruction and directive. The new instruction provides guidance in all the areas identified in the recommendation.

Information requested on Recommendation 4:

Comments from your office stated that a final DFARS rule is awaiting OMB clearance prior to publication and that the estimated completion date is June 2005. Has the DFARS rule received OMB clearance, and has the DFARS been amended and published? If so, please provide a copy of the guidance highlighting the requirements from the recommendation. If not, please explain and provide an estimated completion date.

DoD Response:

The DFARS rule was published in May 5, 2005 and became effective June 6, 2005 (available at <http://www.acq.osd.mil/dpap/dars/dfars/changenotice/docs/20050505%20files/summary050505.htm>). We are working on further amendments to the DFARS to be consistent with the new DODI. The draft interim rule is attached. We estimate that this will be completed by December 2005. We are also working on a draft FAR interim rule (FAR Case 2005-011 attached). The estimated publication date of the interim rule is January 2006.

Information requested on Recommendation 5:

Comments from your office stated that the Defense Acquisition University is partnering with the Army to develop a comprehensive training plan for all military personnel who will be involved with dealing with contractor that accompany deployed forces, that the training plan will be completed by June 2005, and the resulting courses updates will be completed by June 2006. Please provide copies of any the training plan and discuss the

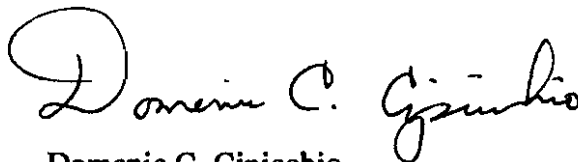
ongoing action to develop the resulting courses and course updates and an estimated completion date.

DoD Response:

At the request of Army Acquisition Support Center (ASC), Defense Procurement and Acquisition Policy, and DUSD(L&MR), the Defense Acquisition University submitted a Continuous Learning Training Proposal to the Contracting Functional Integrated Process Team to develop a Contractors Accompanying the Force Continuous Learning Module (CLM). Targeted for operational personnel, contracting officers, and logisticians, the course will include, role of commanders and others in contracting for logistics and other services in contingency operations, development and documentation of requirements, ensuring that contractor support is performed in a cost effective manner, assessing contractor performance, information on the limits of commanders' authority vis-à-vis contractors and, roles and responsibilities of the Defense Contract Management Agency and other oversight agencies. This CLM is currently ranked number one for development in FY 2006.

In the area of performance support, the Defense Systems Management College (DSMC) is preparing an ACQ 403 Defense Acquisition Executive Overview Workshop (DAEOW) at the request of the Military Deputy for Budget, Assistant Secretary of the Army (Financial Management and Comptroller). This DAEOW will concentrate on Contingency Operations and Contractors Accompanying the Force and be presented to a group, or groups, of Army General Officers and Senior Executives.

If you have any questions, please contact Lt Col Nannette Benitez at 703-695-8567 or via e-mail at nannette.benitez@osd.mil.



Domenic C. Cipicchio
Acting Director, Defense Procurement
and Acquisition Policy

Attachments:
As stated