



Results in Brief: Adequate Contract Support and Oversight Needed for the Tactical Wheeled Vehicle Maintenance Mission in Kuwait

What We Did

Our objective was to determine whether DoD effectively executed maintenance for tactical wheeled vehicles (TWV) in Kuwait. Specifically, we determined whether DoD provided appropriate contract oversight to ensure that TWVs received the necessary repairs and maintenance. We reviewed Army Field Support Battalion-Kuwait's (AFSBn-Kuwait) oversight of the \$848.91 million contract W911SE-07-D-0006, task order BA-02 with ITT Corporation (ITT).

What We Found

AFSBn-Kuwait's contractor, ITT, did not effectively execute maintenance for TWVs in Kuwait. In response, DoD contracting personnel issued 149 corrective action and contract discrepancy reports, show cause and cure notices, and a partial termination for default to ITT; however, ITT's performance still did not meet contract requirements. This occurred because Army Contracting Command-Rock Island (ACC-RI) used a contract type and method that did not incentivize the contractor to perform quality work. As a result, warfighters in Southwest Asia and their missions were at risk. Further, the Army Prepositioned Stock-5 (APS-5) set may not be ready for timely issuance to the U.S. and its Allies in response to contingency operations. Direct theater support (DTS) equipment was not always ready to meet deadlines in support of contingency operations. In addition, ITT personnel left APS-5 and DTS equipment exposed to theft and damage, which jeopardized AFSBn-Kuwait personnel's ability to issue that equipment as required. We informed ACC-RI of these problems on October 18, 2011, and on November 22, 2011, the Executive Deputy to the Commanding General, U.S. Army Materiel Command, responded and stated that the ACC-RI initiated plans to award a new contract by June 1, 2012. However, on February 29, 2012, the procuring contracting officer issued a modification exercising option year two at \$302 million. The period of performance for the option year was from March 1, 2012, through February 28, 2013.

AFSBn-Kuwait personnel did not provide appropriate contract oversight to validate that repairs were needed and labor hours billed were accurate. This occurred because U.S. Army Sustainment Command (ASC) did not sufficiently staff AFSBn-Kuwait with experienced personnel to oversee the contract. Also, the Quality Assurance Maintenance Work Plan did not require AFSBn-Kuwait personnel to approve repairs before the contractor could begin work or review contract labor hours billed. As a result, ITT personnel ordered and installed almost 4 million repair parts and billed \$160.75 million for maintenance labor hours worked and the U.S. Army did not have assurance that those costs were justified.

What We Recommend

We recommend that the Commander, ASC, in coordination with the Executive Director, ACC-RI, amend the current contract to include provisions that incentivize the contractor for efficient and economical performance and award a new contract before option year two ends. We also recommend that the Commander, ASC, sufficiently staff AFSBn-Kuwait to carry out their oversight mission, that the Director, Defense Contract Management Agency-Kuwait establish procedures that require oversight personnel to approve maintenance before the contractor begins work, and the Executive Director, ACC-RI, ensure that contract labor hours billed are reviewed.

Management Comments and Our Response

The Commanding General, ASC, and the Executive Director, ACC-RI, agreed or partially agreed with the report recommendations. In finalizing the report, we redirected one recommendation because the procuring contracting officer made the Defense Contract Management Agency-Kuwait responsible for managing task order BA-02's contract oversight. We request comments in response to the final report by July 2, 2012, as indicated in the recommendations table on page ii.