



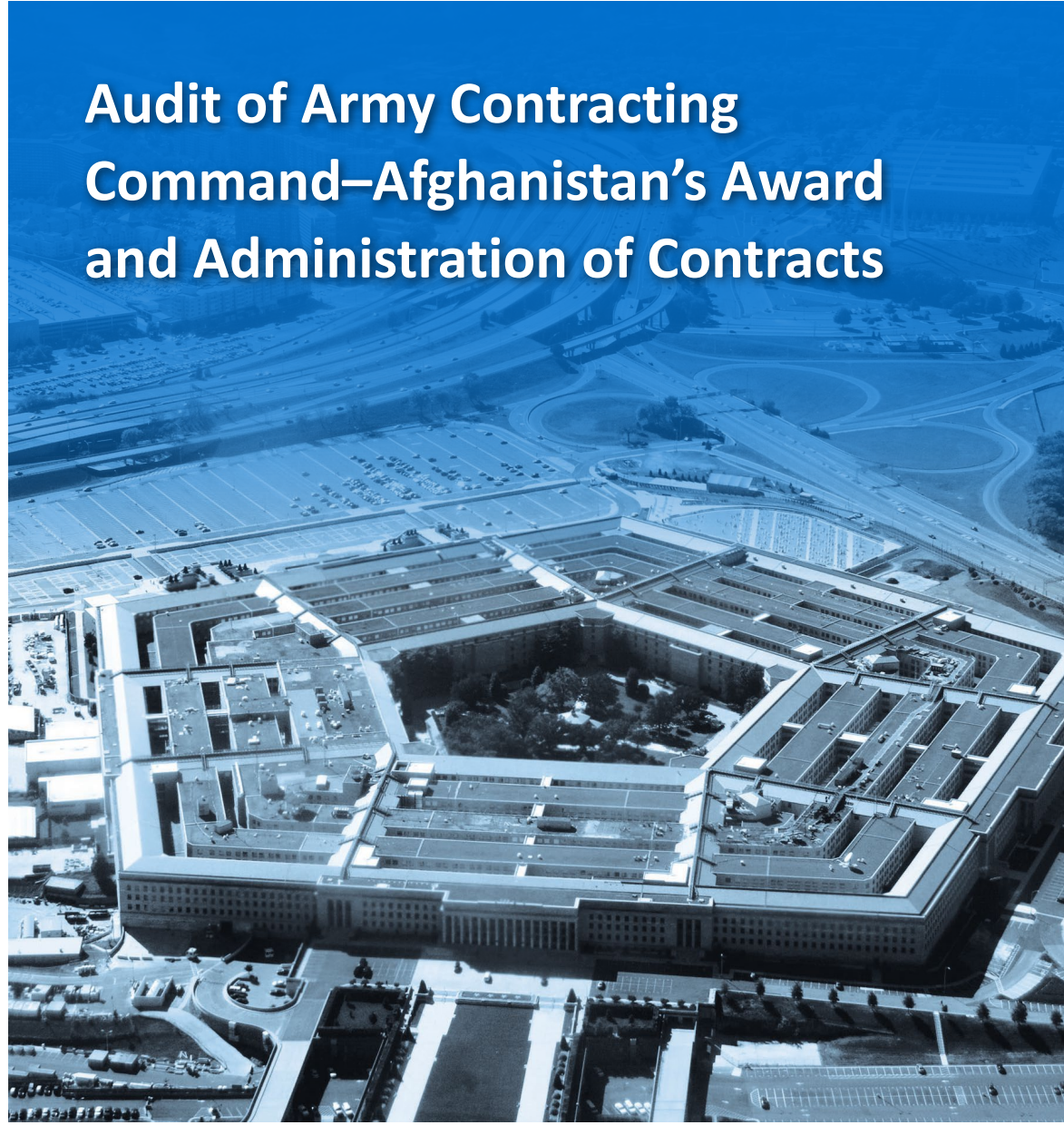
# INSPECTOR GENERAL

*U.S. Department of Defense*

JUNE 18, 2020



## Audit of Army Contracting Command–Afghanistan’s Award and Administration of Contracts



INTEGRITY ★ INDEPENDENCE ★ EXCELLENCE







# Results in Brief

## *Audit of Army Contracting Command–Afghanistan’s Award and Administration of Contracts*

June 18, 2020

### Objective

The objective of this audit was to determine whether the Army Contracting Command–Afghanistan awarded and administered contracts in accordance with applicable Federal regulations and Army Contracting Command procedures.

### Background

Since 2015, the Army Contracting Command (ACC) has maintained a presence in Afghanistan in an effort to ensure that U.S. forces receive contracting services in support of Operations Freedom’s Sentinel and Resolute Support. As of January 2020, the Army Contracting Command–Afghanistan (ACC-A) managed a contract portfolio valued at approximately \$20 billion.

Twenty-five reports by the DoD Office of Inspector General (OIG), Army Audit Agency, and Special Inspector General for Afghanistan Reconstruction, along with congressional and DoD commissions, have identified significant challenges and ongoing risks in military contracting in overseas contingency operations. The most common deficiencies in contingency contracting identified in these reports were nonperformance and improper payments. Nonperformance occurs when contractors do not provide goods or services in compliance with contractual requirements. Improper payments include instances when contractors are paid more than is justified or stipulated for the goods and services they provided.

### Background (cont’d)

The DoD OIG and Army Audit Agency reports also identified significant performance concerns related to the surveillance of Government property, including both property furnished to contractors by the Government, and property acquired by contractors that is turned over to the Government at the end of a contract.

To determine whether the ACC-A awarded and administered contracts in accordance with applicable Federal regulations and ACC procedures designed to mitigate these common contracting risks, we reviewed a nonstatistical sample of contracts awarded or administered by the ACC-A between January 1, 2016, and December 31, 2018, for compliance with the Federal Acquisition Regulation, its supplements, and ACC procedures. We also interviewed officials at both the ACC-A and Army Contracting Command–Headquarters (ACC-HQ) to determine the causes of noncompliance.

### Finding

The ACC-A did not award and administer any of the 15 contracts in our sample in accordance with applicable Federal regulations and ACC procedures. For example, the ACC-A did not:

- retain finalized purchase requests indicating the requiring activity had obligated the necessary funds to pay for the contract for 6 of 10 contracts awarded by the ACC-A;
- complete required documentation to justify the award of 2 of 5 contracts awarded under the Afghan First Initiative;<sup>1</sup>
- follow ACC-A procedures for 4 of 5 contracts containing nonconformance reports (NCR), which required that corrective action plans be submitted and accepted before closing out the NCR; or

<sup>1</sup> The Afghan First Initiative is a DoD procurement regulation created as part of the FY 2008 National Defense Authorization Act that allows DoD contracting activities to award contracts to local Afghan contractors under procurement procedures other than full and open competition.



# Results in Brief

## *Audit of Army Contracting Command–Afghanistan’s Award and Administration of Contracts*

### **Finding (cont’d)**

- track the status of Government property required to be turned over to the Government for all 3 contracts that contained Government property.

In addition, we determined that ACC-A contracting officials did not have the required knowledge, training, or experience needed to award and administer contracts in accordance with regulations and procedures. We also found that ACC-A contracting officials could not always access the Army’s contract award and administration systems to perform their duties, resulting in missed deadlines for mission-critical functions.

These conditions occurred because:

- the ACC-HQ had not implemented an organizational document, known as a force structure, for the ACC-A that detailed required staffing levels, positions, roles, and qualifications of ACC-A staff;
- the ACC-A used an improvised hiring and training process, including inconsistent hiring timelines, onboarding materials, and training to communicate procedural requirements to ACC-A contracting officials; and
- the ACC-A’s operations in Afghanistan subjected contracting officials to unreliable network conditions, including extended periods of Internet outage, slow connection speeds, and limited technical support.

As a result, the ACC-A deployed contracting officials to Afghanistan with limited knowledge and experience of contingency contracting requirements and tasked them with using electronic recordkeeping and contract management systems that were not reliably accessible. Therefore, the ACC-A did not have reasonable assurance that it successfully mitigated contracting risks, such as nonperformance, improper payments, and mismanagement of Government property.

### **Recommendations**

We recommend that the ACC Commanding General identify and coordinate with required theater officials to develop and implement a force structure or similar manpower authorization document for the ACC-A that identifies the staffing levels, positions, roles, and responsibilities of ACC-A personnel.

We recommend that the ACC-A Commander develop and implement a plan to improve the hiring process for civilian contracting personnel. The plan should include:

- written hiring procedures that specify a timeline for the hiring process;
- controls to ensure all contracting officials have the required qualifications for the positions they hold;
- steps to ensure duties of the ACC-A human resources position are performed if the position is vacant; and
- standard operating procedures to provide newly hired contracting officials with information on their specific roles and responsibilities prior to deployment.

We recommend that the Deputy Assistant Secretary of the Army for Procurement develop and implement a written plan to:

- engage the ACC-HQ in developing and testing the new Army Contract Writing System (ACWS) to ensure the new system provides contingency contracting personnel with the capabilities necessary to effectively award and administer contracts in a contingency environment, such as Afghanistan; and
- provide contracting officials access to the ACWS in the field for testing before the system achieves full operational capability and for identifying any potential issues or challenges unique to the contingency operating environment, including the ability to operate the system effectively under unreliable network conditions.



# Results in Brief

## *Audit of Army Contracting Command–Afghanistan’s Award and Administration of Contracts*

### Management Comments and Our Response

The ACC Commanding General disagreed with the recommendation that the ACC develop and implement a force structure or similar manpower authorization document for the ACC-A. The Commanding General stated that the recommendation should not be directed to the ACC because the theater command (United States Forces – Afghanistan) was responsible for developing the force structure applicable to the ACC-A. We disagree with this assessment, but in response to the Commanding General’s comments, we have revised the recommendation to clarify the responsibilities of the Commanding General to identify and coordinate with theater officials to develop and implement a force structure or similar manpower organizational document for the ACC-A. Comments from the Commanding General did not address the specifics of our recommendation because the ACC, as the chain of command for the ACC-A, is responsible for developing and implementing a force structure or similar manpower organizational document; therefore, the recommendation is unresolved and remains open.

The ACC Commanding General, responding on behalf of the ACC-A Commander, disagreed with the recommendation to establish a timeline for the ACC-A hiring process and to take steps to ensure that the duties of the ACC-A human resources position are performed when the position is vacant. The Commanding General stated that it was difficult to establish a timeline for hiring processes because individuals may curtail their deployment at any time. The Commanding General also stated that the ACC already provided human resources support if the ACC-A human resources position was vacant.

Comments from the Commanding General did not address the specifics of our recommendations because other commands operating under similar conditions to the ACC-A have been able to establish timelines for hiring

procedures and we found that human resource support, such as the identification of replacements for outgoing contracting officials, was not performed; therefore, the recommendation is unresolved and remains open.

The ACC Commanding General, responding on behalf of the ACC-A Commander, agreed with the recommendation to implement controls to ensure all contracting officials have the required qualifications for the positions they hold. The Commanding General stated that all personnel hired for contracting positions must provide a copy of their contracting certifications prior to deployment. Comments from the Commanding General addressed the specifics of our recommendation; therefore, the recommendation is resolved, but remains open.

The Deputy Assistant Secretary of the Army for Procurement agreed with the recommendations to engage the ACC-HQ in developing and testing the new ACWS during its development and to test the system in the field before it achieves full operational capability. The Deputy Assistant Secretary stated that his office would continue to collaborate with the ACWS Project Manager and ACC-HQ in the design, development, and testing of the ACWS, including addressing disconnected state requirements of the system prior to its full deployment in FY2023. Furthermore, the Deputy Assistant Secretary stated that his office would coordinate with the ACWS Project Manager and ACC-HQ to involve contingency contracting officials into the ACWS testing plan in FY2021. Therefore, these recommendations are resolved, but will remain open.

Although not required to comment, the Executive Deputy to the Commanding General for the Army Materiel Command reviewed the report and supported the response of the ACC Commanding General while sharing the DoD OIG’s concerns regarding the effectiveness of contracting operations in Afghanistan.

Please see the Recommendations Table on the next page for the status of recommendations.

## Recommendations Table

Management	Recommendations Unresolved	Recommendations Resolved	Recommendations Closed
Commanding General, Army Contracting Command	1	None	None
Deputy Assistant Secretary of the Army (Procurement)	None	3.a, 3.b	None
Commander, Army Contracting Command–Afghanistan	2.a, 2.c	2.b	None

Please provide Management Comments by July 18, 2020.

**Note:** The following categories are used to describe agency management’s comments to individual recommendations.

- **Unresolved** – Management has not agreed to implement the recommendation or has not proposed actions that will address the recommendation.
- **Resolved** – Management agreed to implement the recommendation or has proposed actions that will address the underlying finding that generated the recommendation.
- **Closed** – OIG verified that the agreed upon corrective actions were implemented.





**INSPECTOR GENERAL  
DEPARTMENT OF DEFENSE**  
4800 MARK CENTER DRIVE  
ALEXANDRIA, VIRGINIA 22350-1500

June 18, 2020

MEMORANDUM FOR COMMANDING GENERAL, U.S. ARMY CONTRACTING COMMAND  
DEPUTY ASSISTANT SECRETARY OF THE ARMY FOR PROCUREMENT  
COMMANDER, U.S. ARMY CONTRACTING COMMAND AFGHANISTAN

SUBJECT: Audit of Army Contracting Command–Afghanistan’s Award and Administration  
of Contracts (Report No. DODIG-2020-094)

This final report provides the results of the DoD Office of Inspector General’s audit. We previously provided copies of the draft report and requested written comments on the recommendations. We considered management’s comments on the draft report when preparing the final report. These comments are included in the report.

This report contains recommendations that are considered unresolved because the Commanding General of the Army Contracting Command did not agree with the recommendations presented in the report.

Therefore, as discussed in the Recommendations, Management Comments, and Our Response section of this report, the recommendations remain open. We will track these recommendations until an agreement is reached on the actions to be taken to address the recommendations, and adequate documentation has been submitted showing that the agreed-upon action has been completed.

This report contains recommendations that are considered resolved. Therefore, as discussed in the Recommendations, Management Comments, and Our Response section of this report, the recommendations will remain open until adequate documentation has been submitted showing that the agreed upon action has been completed. Once we verify that the action is complete, the recommendations will be closed.

DoD Instruction 7650.03 requires that recommendations be resolved promptly. For the unresolved recommendations, please provide us within 30 days your response concerning specific actions in process or alternative corrective actions proposed on the recommendations. For the resolved recommendations, please provide us within 90 days your response concerning specific actions in process or completed on the recommendations. Your response should be sent to [followup@dodig.mil](mailto:followup@dodig.mil).

If you have any questions, please contact me at [REDACTED]

Richard B. Vasquez  
Assistant Inspector General for Audit  
Readiness & Global Operations

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# Introduction

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## Objective

The objective of this audit was to determine whether the Army Contracting Command–Afghanistan (ACC-A) awarded and administered contracts in accordance with applicable Federal regulations and Army Contracting Command (ACC) procedures.

## Background

### ***The Army Contracting Command***

Established in 2008 as a major subordinate command of Army Materiel Command (AMC), the ACC is the principal buying agent and contract manager for the U.S. Army. The ACC's mission is to provide contracting support to Army and joint forces across military operations both inside and outside the contiguous United States (OCONUS). According to the ACC, the ACC executed nearly 150,000 contract actions in FY 2019, with a total value of \$73.9 billion, including the acquisition and oversight of contracts for supplies (such as food, electronics, and support equipment), services (such as transportation, food service, technical advisory services, and facilities maintenance), and construction.

To accomplish its mission, the ACC employs 8 contracting support brigades (CSBs), 13 contracting battalions, and 68 contracting teams stationed within the United States and deployed throughout the world. The ACC's Deputy to the Commanding General for OCONUS Operations directs the planning and execution of the ACC's OCONUS contracting support in U.S. Military contingency operations and wartime missions.<sup>2</sup> The Deputy to the Commanding General for OCONUS Operations also manages deployment of trained and ready CSBs and battalions to procure goods and services in austere environments, including Afghanistan.

### ***The Army Contracting Command–Afghanistan***

Since 2015, the ACC has maintained a presence in Afghanistan to ensure U.S. forces receive contracting services in support of Operations Freedom's Sentinel and Resolute Support.<sup>3</sup> Under the jurisdiction of the ACC's Deputy to the Commanding

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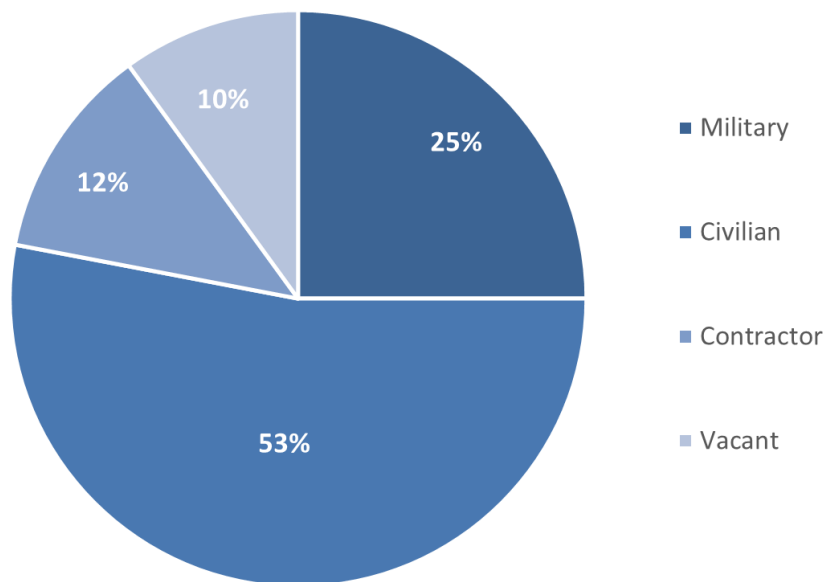
<sup>2</sup> Contingency operations are operations designated by the Secretary of Defense that result in: 1) members of the Armed Forces becoming involved in military actions, operations, or hostilities against an opposing military force; or 2) the call or order to, or retention on, active duty of members of the uniformed services during war or a national emergency declared by the President or Congress.

<sup>3</sup> Operation Freedom's Sentinel is the U.S. counterterrorism mission against al Qaeda, the Islamic State of Iraq and Syria–Khorasan, and their affiliates in Afghanistan. Resolute Support is the NATO mission to develop the capacity of the Afghan security ministries and to train, advise, and assist Afghan security forces.

General for OCONUS Operations, the Army Contracting Command–Afghanistan (ACC-A) provides contracting support throughout Afghanistan to U.S. and Coalition forces. According to the ACC, as of January 2020, the ACC-A managed a contract portfolio valued at approximately \$20 billion. Part of that portfolio includes Combined Security Transition Command–Afghanistan’s aviation fuel contracts, valued at \$74 million, which the ACC-A awarded and administered. In addition, the ACC-A performs contingency contract administration services (CCAS) for the Army’s multi-billion-dollar contract for base life support (Logistics Civil Augmentation Program [LOGCAP]) and multi-million dollar maintenance, supply, and transportation contract (Enhanced Army Global Logistics Enterprise).<sup>4</sup>

Within the ACC-A, the Regional Contracting Center–Afghanistan (RCC-A) provides day-to-day contracting support services, including contract award, oversight and surveillance, and closeout activities as one of the ACC’s 13 contracting battalions. As of October 2019, the ACC-A (including the RCC-A) had positions for 100 personnel, 50 of whom directly focused on the award and administration of contracts. The ACC-A fills its positions with military, civilian, and contractor personnel who deploy to Afghanistan following selection. Figure 1 shows the breakdown of civilian, military, and contractor positions executing both the ACC-A’s and the RCC-A’s missions. As of October 2019, the ACC-A was 90-percent staffed.

*Figure 1. ACC-A and RCC-A Combined Staffing by Personnel Category, October 2019*



Source: The DoD OIG.

<sup>4</sup> The ACC-A performs CCAS on contracts awarded by a separate contracting activity and delegated to the ACC-A for administration. The ACC-A receives a delegation letter and matrix, identifying the specific administration duties assigned, from the awarding contracting activity.

RCC-A personnel are divided into teams designed to manage contracts at a specific point in the contract life cycle, including pre-award (with teams based on contract type, including services, fuels, and construction) and CCAS (with teams focused on post-award surveillance, property administration, and quality assurance).<sup>5</sup> The RCC-A's pre-award teams all contain a mix of military, civilian, and contractor personnel, while the RCC-A's CCAS teams are composed primarily of civilians. Both ACC-A and RCC-A military personnel are part of a rotational unit that deploys to Afghanistan for 9 months on a staggered basis, with some personnel deploying in advance of others. Prior to deploying as a unit, military personnel attend a 2-week CCAS training course that provides instruction on the duties of the administrative contracting officer, property administrator, and quality assurance specialist specific to contracting in an overseas contingency operation environment. Civilian personnel deploy individually, based on ACC-A staffing needs, for periods ranging between 6 to 24 months, and are not required to attend CCAS training before arriving in Afghanistan, even if assigned to a CCAS team. Contractor personnel also deploy individually based on the contract terms and are not required to attend CCAS training.

### *The Army Contracting Command–Headquarters*

The ACC also maintains a staff headquartered at Redstone Arsenal, Alabama, to support the ACC enterprise, including the ACC-A. Army Contracting Command–Headquarters (ACC-HQ) includes a number of support components designed to facilitate the ACC's mission. In particular, the ACC-HQ's staff support includes:

- G-1 (ACC Human Capital), responsible for providing human capital solutions to attract, recruit, develop, and maintain a professional and responsive workforce to support the warfighter, and
- G-8 (ACC Resource Management), responsible for managing financial and manpower resources in support of global contracting, programming, planning, budgeting, accounting, funds control functions, policy, advice, and assistance, on all resource management functions across the ACC.

Also included in the ACC HQ's staff is the Contract Operations division, which is responsible for supporting ACC subordinate commands in areas such as contract administration, foreign military sales, data analytics, and procurement support. The contract administration group, within the Contract Operations division, is responsible for organizing and facilitating the CCAS training attended by deploying ACC personnel.

<sup>5</sup> While the RCC-A divides personnel into pre- and post-award teams in their organizational chart, it is not uncommon for team members from pre-award teams to perform post-award CCAS duties or vice versa, based on organizational need.

## ***Contingency Contracting Challenges***

Overseas contingency operations, including Operation Freedom's Sentinel in Afghanistan, are operations designated by the Secretary of Defense that result in members of the Armed Forces becoming involved in military actions, operations, or hostilities against an enemy of the United States or opposing military force. Contingency operations often take place in harsh, remote, or dangerous areas outside well-established supply chains and oversight mechanisms. Additionally, in contingency contracting environments, DoD contracts are awarded to procure goods and services that are specific to the operating environment or are urgently needed. For example, in Afghanistan the ACC-A contracts with local vendors to procure bulk fuel for the Afghan National Defense Security Forces. Because this fuel is delivered by the contractor directly to the Afghans outside the security of U.S. Military facilities and installations, direct oversight of the contractor by ACC-A contracting officials is not practical.

Despite the challenges to providing oversight and surveillance of the contractor's performance in a contingency contracting environment, contracting officials are still required to award and administer contracts in accordance with statutory requirements, including the Federal Acquisition Regulation (FAR) and the DoD and individual Military Service supplements to the FAR. However, in the contingency contracting environment, regulations and standard operating procedures designed to detect potential fraud, waste, abuse, or noncompliance may require supplementation.

## ***Weaknesses Identified in Previous Audits and DoD and Congressional Commissions***

Since 2010, the DoD Office of Inspector General (OIG), Special Inspector General for Afghanistan Reconstruction (SIGAR), and the Army Audit Agency have published 25 audit reports that found repeated deficiencies in oversight and internal controls of overseas contingency operation contracts in Afghanistan. See Appendix B for a summary of the deficiencies outlined in these 25 audit reports.

In FY 2007, the Army identified contingency contracting as an ongoing material weakness in its annual statement of assurance, stating that the Army has not treated the contracting process as a core competency and lacked needed internal controls.<sup>6</sup> According to the Army's FY 2019 statement of assurance, the contingency contracting material weakness remains uncorrected; the Army estimates that the material weakness will be corrected in third quarter FY 2020.

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<sup>6</sup> A material weakness is a significant deficiency that the agency head determines to be significant enough to report outside of the agency as a material weakness. A significant deficiency represents a deficiency or combination of deficiencies in internal control that are important enough to merit attention by those charged with governance.



In addition, several reports commissioned by the DoD and Congress following the identification of the material weakness highlight the longstanding and significant instances of fraud, waste, or abuse in contingency contracting, including the following three reports.

- The Commission on Army Acquisition and Program Management in Expeditionary Operations issued a report in September 2007 that recommended: (1) increasing the number of Army contracting personnel, (2) improving contract oversight, and (3) statutory changes to improve contracting effectiveness.<sup>7</sup> One key recommendation of the report resulted in the formation of the ACC.
- A 2010 investigation by the Subcommittee on National Security and Foreign Affairs of the House Committee on Oversight and Government Reform found that the U.S. Military was indirectly paying a significant portion of a \$2.16 billion supply chain contract to Afghan warlords.<sup>8</sup>
- The Commission on Wartime Contracting—created as part of the National Defense Authorization Act of 2008—issued a report in 2011 that found lax internal controls and lack of competition, leading to between \$31 and \$60 billion in fraud and waste in Afghanistan and Iraq contracts between 2001 and 2011.<sup>9</sup>

### ***Contractor Nonperformance and Improper Payments to Contractors***

The most common deficiencies, instances of waste, and cases of fraud in contingency contracting identified in previous audits, investigations, and commission reports resulted from contractor nonperformance and improper payments made to the contractors. Contractor nonperformance occurs when the contractors do not provide goods or services in compliance with contractual requirements. Improper payments include instances when the DoD pays contractors more than is justified or stipulated in the contract for goods or services provided by the contractor, or when the DoD pays contractors without first verifying satisfactory contract performance.

The DoD OIG, SIGAR, and Army Audit Agency reported that contractor nonperformance in contingency contracting results from insufficient surveillance of contractor work by contracting officials. For example, a 2014 Army Audit Agency review of 140 service contracts found that 69 percent of quality assurance

<sup>7</sup> Commission on Army Acquisition and Program Management in Expeditionary Operations, “Urgent Reform Required: Army Expeditionary Contracting,” October 31, 2007.

<sup>8</sup> Subcommittee on National Security and Foreign Affairs of the House Committee on Oversight and Government Reform, “WARLORD, INC. Extortion and Corruption Along the U.S. Supply Chain in Afghanistan,” June 22, 2010.

<sup>9</sup> Commission on Wartime Contracting, “Transforming Wartime Contracting,” August 2011.

surveillance plans (QASP)s did not have a detailed list of the items contracting officer's representatives (COR) should inspect, and 56 percent of CORs on the contracts did not regularly send required surveillance reports to the contracting officer.<sup>10</sup> Additionally, a 2015 DoD OIG audit of LOGCAP in Afghanistan found that the Army did not appoint CORs with proper training or develop a QASP.<sup>11</sup> Furthermore, a 2016 DoD OIG audit of the Heavy Lift VII contracts in Kuwait found that CORs did not perform required monthly surveillance of the contractors or use approved checklists to document the reviews they did complete.<sup>12</sup> In August 2019, SIGAR reviewed whether the U.S. Army Corps of Engineers conducted appropriate oversight of a contract to build a power station in Afghanistan, and found that the Corps did not document construction deficiencies or confirm that the contractor corrected the deficiencies as part of the inspection process.<sup>13</sup>

The DoD OIG also reported that improper payments to contractors may have similarly resulted from insufficient surveillance and related to contractor nonperformance, such as when a contractor was paid for work it had not completed. A 2018 DoD OIG audit examined the invoice review and payment process for LOGCAP and found that ACC and Defense Contract Audit Agency officials did not monitor vouchers, and, between 2015 and 2017, paid \$2.4 billion with little or no examination of supporting documentation. As a result, the contractor may have been paid for costs not required or associated with contract performance.<sup>14</sup> In addition, a 2018 DoD OIG audit of the Enhanced Army Global Logistics Enterprise Maintenance Contract in Afghanistan found that the ACC-A did not monitor contractor performance or costs for compliance with contract requirements. As a result, the DoD made \$77.8 million in potentially improper payments, because the Army did not have reasonable assurance that the costs billed were allowable in accordance with the contract.<sup>15</sup>

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<sup>10</sup> Report No. A-2015-0019-ALC, "Service Contract Oversight Material Weakness," December 18, 2014.

<sup>11</sup> Report No. DODIG-2016-004, "Army Needs to Improve Contract Oversight for the Logistics Civil Augmentation Program's Task Orders," October 28, 2015.

<sup>12</sup> Report No. DODIG-2017-035, "The Army Did Not Have Assurance That Heavy Lift Contractors in Kuwait Complied With Contract Requirements," December 15, 2016.

<sup>13</sup> Report No. SIGAR 19-50-IP, "Afghanistan's North East Power System Phase I: Construction Deficiencies, Contractor Noncompliance, and Poor Oversight Resulted in a System that May Not Operate Safely or at Planned Levels," August 2019.

<sup>14</sup> Report No. DODIG-2018-119, "DoD Oversight of Logistics Civil Augmentation Program in Afghanistan Invoice Review and Payment," May 11, 2018.

<sup>15</sup> Report No. DODIG-2018-139, "DoD Management of the Enhanced Army Global Logistics Enterprise Maintenance Contract in Afghanistan," July 23, 2018.

## ***Surveillance of Government Property***

According to the DoD OIG and Army Audit Agency, another significant potential performance concern in contingency contracting is the proper surveillance of Government property. Government property includes Government-furnished property (GFP) and contractor-acquired property. GFP is property in the possession of or directly acquired by the Government and subsequently furnished to the contractor for performance of a contract, but still owned by the Government. Contractor-acquired property is property purchased, built, or otherwise provided by the contractor for performing a contract, and acquired by the Government during or following contract performance. There are five classifications of Government property: equipment, material, real property, special test equipment, and special tooling.

Proper oversight of both GFP and contractor-acquired property is critical to ensuring the accuracy of the DoD financial statements and maintaining control of key Government assets. On multi-year contracts and some single-year contracts, lack of billing oversight for contractor-acquired property can result in a failure to report the property on the Government's financial statements. For example, thousands of items of property acquired by the contractor and reimbursed by the Government may not be reported by the contractor. In addition, the lack of billing oversight can also result in improper payments to contractors for property they did not acquire. For example, a 2017 DoD OIG audit of LOGCAP in Afghanistan found that the Army did not perform effective oversight of Government property, and failed to include in the Army's accountable records nearly 27,000 items the contractors possessed and used for contract performance. As a result, at least \$99.9 million in Government property was at increased risk of being lost, stolen, or unaccounted for without Army detection.<sup>16</sup>

## ***ACC-A Contracts and Procedures We Reviewed***

Between January 1, 2016, and December 31, 2018, the ACC-A awarded or administered 821 contracts in support of Operation Freedom's Sentinel and NATO's Resolute Support mission. Of these 821 contracts, 726 were small-dollar value awards that totaled less than \$1 million per contract during the 3-year period. For this audit, we selected and reviewed a nonstatistical sample of 15 of the remaining 95 contracts that had total funding obligations of \$1 million or more between January 1, 2016, and December 31, 2018. These 15 contracts totaled \$2.86 billion in funding obligations. Of the 15 contracts in our sample, 10 were directly awarded and administered by the ACC-A, while the remaining 5 were

<sup>16</sup> Report No. DODIG-2018-040, "Army Oversight of Logistics Civil Augmentation Program Government-Furnished Property in Afghanistan," December 11, 2017.

awarded by other contracting activities but delegated to the ACC-A for administration. Table 1 shows the breakdown of contracts in our sample by total obligations and award or administration status.

*Table 1. Overview of Contracts Selected for Review*

Sample	Awarded by ACC-A or Delegated Administration Only	Total Obligations <sup>1</sup> (in millions)
Contract #1	Delegated	\$6.98
Contract #2	Delegated	\$408.89
Contract #3	Delegated	\$2,087.09
Contract #4	Delegated	\$238.77
Contract #5 <sup>2</sup>	Delegated	\$1.00
<b>Total Delegated</b>		<b>\$2,742.73</b>
Contract #6	Awarded	\$7.97
Contract #7	Awarded	\$10.33
Contract #8	Awarded	\$5.63
Contract #9	Awarded	\$4.64
Contract #10	Awarded	\$16.19
Contract #11	Awarded	\$23.45
Contract #12	Awarded	\$39.59
Contract #13	Awarded	\$3.71
Contract #14	Awarded	\$1.39
Contract #15	Awarded	\$3.66
<b>Total Awarded</b>		<b>\$116.56</b>
<b>Total Obligations</b>		<b>\$2,859.28</b>

<sup>1</sup> Total obligations between January 1, 2016, and December 31, 2018.

<sup>2</sup> Selected contract identified in the system of record as administered by the ACC-A; however, ACC-A officials did not receive a delegation letter notifying them of their administration responsibilities.

Source: The DoD OIG.

To determine whether the ACC-A awarded and administered contingency operations contracts in accordance with applicable Federal regulations and ACC procedures, we first reviewed ACC and ACC-A written procedures for contract award and administration to establish whether the procedures complied with the relevant parts of the FAR as well as the DoD and Army FAR supplements. After establishing whether ACC and ACC-A procedures were in accordance with Federal, DoD, and Army regulations, we reviewed the contract files of the 15 contracts



in our sample to determine whether the documents within those contract files followed the written award and administration procedures of the ACC and the ACC-A.

As part of the review of contract files, we also interviewed 17 ACC-A contracting officials (including 10 contracting officers/specialists, 5 quality assurance specialists, and 2 property administrators) who oversaw the contracts in our sample to determine the roles, responsibilities, and procedures followed for contract award and administration. Based on these interviews and the analysis of the 15 contract files, we evaluated the ACC-A's force structure, hiring, and training procedures, including contracting personnel certification requirements under the Defense Acquisition Workforce Improvement Act (DAWIA) and CCAS training. This evaluation included interviews with eight human resource and support personnel located at the ACC-HQ at Redstone Arsenal and two human resources personnel with the 408th CSB at Camp Arifjan, Kuwait. For a full discussion of this audit's scope and methodology, see Appendix A.

## Review of Internal Controls

DoD Instruction 5010.40 requires DoD organizations to implement a comprehensive system of internal controls that provides reasonable assurance that programs are operating as intended and to evaluate the effectiveness of the controls.<sup>17</sup> We identified internal control weaknesses related to the ACC-A's selection and training of civilian contracting personnel. In addition, we identified internal control weaknesses in the ACC's oversight of its own organizational structure and in the Army's contract management systems. We will provide a copy of the final report to the senior official responsible for internal controls in the offices of the ACC-A, the ACC, and the Department of the Army.

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<sup>17</sup> DoD Instruction 5010.40, "Managers' Internal Control Program Procedures," May 30, 2013.

## Finding

### The ACC-A Did Not Have the Staffing and Training Procedures or the Technical Resources Necessary to Mitigate Contingency Contracting Risks

The ACC-A did not award and administer any of the 15 contracts in our sample in accordance with applicable Federal regulations and ACC procedures. For example, the ACC-A did not:

- have finalized purchase requests indicating the requiring activity had obligated the necessary funds to pay for the contract for 6 of 10 contracts awarded by the ACC-A;
- complete required documentation to justify the award of 2 of 5 contracts awarded under the Afghan First Initiative;<sup>18</sup>
- follow ACC-A procedures regarding 4 of 5 contracts containing nonconformance reports (NCR), which required that corrective action plans (CAP) be submitted and accepted before closing out the NCR; or
- track the status of Government property required to be turned over to the Government for all 3 contracts that contained Government property.

In addition, we determined that ACC-A contracting officials did not have the required knowledge, training, or experience needed to perform contract award and administration in accordance with regulations and procedures. We also found that ACC-A contracting officials could not always access the Army's contract award and administration systems in order to perform their duties, resulting in missed deadlines for mission-critical functions. These conditions occurred because:

- the ACC-HQ had not implemented an organizational document, known as a force structure, for the ACC-A detailing required staffing levels, positions, roles, and qualifications of ACC-A staff;<sup>19</sup>
- the ACC-A used an improvised hiring and training process, including inconsistent hiring timelines, onboarding materials, and training to communicate procedural requirements to ACC-A contracting officials; and

<sup>18</sup> The Afghan First Initiative is a DoD procurement regulation created as part of the 2008 National Defense Authorization Act that allows DoD contracting activities to award contracts to local Afghan contractors under procurement procedures other than full and open competition.

<sup>19</sup> A force structure is a document that details the roles and responsibilities of staff and provides guidance for hiring officials regarding the skills needed to fill particular roles. Another ACC contracting unit, the 408th CSB, also located at U.S. Central Command at Camp Arifjan, uses a force structure known as a Table of Distribution and Allowances to define civilian personnel staffing requirements and responsibilities.

- the ACC-A's operations in Afghanistan subjected contracting officials to unreliable network conditions, including extended periods of Internet outage, slow connection speeds, and limited technical support.

As a result, the ACC-A deployed contracting officials to Afghanistan with limited knowledge and experience regarding contingency contracting requirements and tasked them with using electronic recordkeeping and contract management systems that were not reliably accessible. Therefore, the ACC-A did not have reasonable assurance that it successfully mitigated contingency contracting risks, such as nonperformance, improper payments, and mismanagement of Government property.

### **ACC-A Contracting Officials Did Not Follow Procedures to Award and Administer Contracts and Lacked Knowledge, Training, and Experience**

The ACC-A had detailed contract award and administration procedures; however, ACC-A contracting officials did not award and administer any of the 15 contracts in our sample in accordance with applicable Federal regulations and ACC procedures. In addition, ACC-A contracting officials did not have the required knowledge, training, and experience needed to perform contract award and administration in accordance with Federal regulations and the ACC's procedures.

### ***ACC and ACC-A Contracting Procedures Provided Detailed Guidance on Contract Award and Administration***

The ACC-A had contract award and administration procedures designed to mitigate the risk of contractor nonperformance, improper payments, and mismanagement of Government property in contingency contracting. These procedures provided ACC-A contracting officials with specific instructions for how to award contracts and monitor contractor performance. We reviewed these procedures and found them to be comprehensive and in accordance with statutory requirements, including the FAR, the Defense Federal Acquisition Regulation Supplement (DFARS), and the Army Federal Acquisition Regulation Supplement (AFARS). For example:

- FAR 46.102 states that Government contract quality assurance must be conducted before goods and services are accepted.<sup>20</sup> To implement this requirement, the ACC-A's quality assurance program standard operating

<sup>20</sup> FAR Part 46, "Quality Assurance," Subpart 46.1(1) "General," Section 46.102, "Policy."

procedures (SOP) require contracting officers to provide surveillance and oversight of contractors in accordance with an approved QASP, and include monthly surveillance checklists and surveillance reports.<sup>21</sup>

- FAR 45.105 states that agencies responsible for contract administration must conduct an analysis of a contractor's property management policies, procedures, practices, and systems.<sup>22</sup> The ACC-HQ's Government property procedures require an annual assessment (known as Property Management Systems Analyses) of a contractor's property management system for each contractor that has Government property on a contract.<sup>23</sup>

The ACC-A used multiple instructions and procedures (handbooks, desk guides, quality assurance program, and SOPs) that supplemented the Federal regulations and provided contracting officials with information necessary to perform all requirements of contract award and administration. For example:

- The ACC-A's Acquisition Instruction Supplement identifies contracting officials' responsibilities, required documentation, and process flows for awarding contingency contracts in Afghanistan.<sup>24</sup> These responsibilities include the development of an acquisition strategy and source selection plan, justification and approval for limiting competition, source selection determination, and complete and error-free submission of documents into the contracting system of record.<sup>25</sup>
- The ACC-A's quality assurance program SOPs outline contracting officials' responsibilities for post-award contract administration, such as assessing risk of contractor noncompliance, developing QASPs, completing monthly status reports, and documenting and resolving contractor nonperformance.

In addition, the ACC-A was also required to follow procedures developed by the ACC-HQ that apply to all contracting centers and CSBs regardless of geographic location. For example:

- The ACC's CCAS Handbook outlines the responsibilities of contracting officers, quality assurance specialists, and property administrators to assess risk; perform contracting receipt and review; and document monthly surveillance, inspection, and detailed invoice review requirements and acceptance of contractor performance in a contingency contracting environment.

<sup>21</sup> The ACC-A Quality Assurance Program is a portfolio of numbered SOPs that prescribe contract award and administration procedures and ACC-A Quality Assurance Program, "Quality Assurance Standard Operating Procedure," October 1, 2018.

<sup>22</sup> FAR Part 45, "Government Property," Subpart 45.1) "General," Section 45.105, "Contractors' Property Management System Compliance."

<sup>23</sup> HQ ACC—Government Property Branch, "P-006 Property Management System Analysis," August 19, 2014.

<sup>24</sup> Army Contracting Command – Afghanistan, "Acquisition Instruction Supplement," February 2019.

<sup>25</sup> The Army refers to the contracting system of record as the Paperless Contract File (PCF).



- The ACC's Government property SOPs require contracting officials to conduct an annual assessment of the contractor's property management database and also require the contractor to provide a list of all contractor-acquired property items.
- The ACC's Acquisition Instruction requires that property administrators be appointed and trained in accordance with the ACC's property administration SOP and that ACC entities perform and document an annual assessment of the contractor's property management database.<sup>26</sup>

Combined, the ACC-HQ and the ACC-A's written contract award and administration procedures provide the ACC-A contracting officials with detailed guidance on their duties and how to perform them.

In addition, the ACC-HQ and the ACC-A's written contract award and administration

*The ACC-HQ and the ACC-A's written contract award and administration procedures provide the ACC-A contracting officials with detailed guidance on their duties.*

procedures outline internal controls specific to the contingency contracting environment and Government property accountability. Based on our review, the ACC-HQ and the ACC-A's written contract award and administration procedures are consistent with the requirements outlined in the FAR, DFARS, and AFARS, which are designed to detect and mitigate environmental risks, such as contractor nonperformance and improper payments. If ACC-A contracting officials followed the ACC-HQ and the ACC-A written contract award and administration procedures, the potential for contingency contracting nonperformance and improper payments to contractors could be mitigated.

### ***Required Award and Administration Procedures Not Followed***

Based on our review of the 15 contracts awarded and administered by the ACC-A, we found that ACC-A contracting officials did not perform contract award and administration in accordance with Federal regulations and ACC procedures designed to mitigate the risk of nonperformance, improper payments, and mismanagement of Government property. To determine this, we reviewed Federal regulations and ACC procedures to identify required documents. We then reviewed numerous electronic recordkeeping systems for these documents and requested copies of missing documents from ACC-A officials for the 15 contracts we reviewed. We reviewed the documents to determine if they were complete, accurate, and filed in accordance with Federal regulations and ACC procedures. The documents we reviewed included contracts, contract modifications, invoices, risk assessments,

<sup>26</sup> Army Contracting Command, "Acquisition Instruction," March 31, 2018.

monthly COR surveillance reports, QASPs, COR appointment letters, NCRs, corrective action plans, property management systems analyses, and Government property records.

We identified instances where ACC-A officials did not follow contract award procedures in 9 of the 10 contracts included in our 15-contract sample that were awarded by the ACC-A. Specifically, we found that:

- 6 of 10 contracts did not retain a finalized purchase request indicating the requiring activity had obligated the necessary funds to pay for the contract. Without a certified purchase request, the ACC-A risks awarding a contract without available funds.
- 4 of 10 contracts had QASPs developed by the ACC-A that did not address all required elements, including performance standards or steps for the ACC-A to address nonconformance, such as requiring the contractor to develop a corrective action plan.
- For 2 of 5 contracts awarded under the Afghan First Initiative, a program designed to encourage the growth of the Afghan economy by awarding contracts to local Afghan vendors, the ACC-A did not follow procedures requiring them to complete documentation that justified the use of limited competition selection procedures for the contracts awarded under the program.

We also found instances where required pre-award contract documentation did not exist. For example, one contract file did not contain evidence of vendor vetting, which is required to ensure the vendor meets security requirements and does not have financial links to foreign adversaries.

The absence of complete, accurate, and properly approved pre-award contract documentation, such as vendor vetting, purchase requests, and QASPs, increased the risk that contracts and contractors may not have been properly vetted or approved by the procurement contracting officer or quality assurance requirements established before the contract was awarded. For example, one contract we reviewed contained an incomplete QASP that did not discuss the procedures to follow in the case of nonconformance with the contract terms. Following the contract's award, the ACC-A issued a level II (major) NCR on the contract, but did not follow the ACC-A's procedures requiring the contractor to develop a corrective action plan within 10 business days. As a result, no corrective action plan had been received by the ACC-A more than 22 days after this deadline and the ACC-A was unable to verify that the nonperformance had been corrected, even as the contractor continued to perform and receive payment.

Table 2 summarizes the results of our review of the 10 contracts in our sample that were awarded by the ACC-A.<sup>27</sup> Table 5 in Appendix C provides detailed information on the types of documents reviewed as well as the criteria used to determine whether the ACC-A awarded contracts in accordance with requirements.

*Table 2. Summary of Contract Award Review*

Control Document or Activity	Purpose	Incomplete, Not Final, or Missing <sup>1</sup>
Purchase Request	Evidence of obligated funds at time of award	6 of 10
QASP	Plan to assess contractor performance	4 of 10
Independent Government Cost Estimate (IGCE)	Certified independent cost estimate for successful performance of a contract	2 of 10
Vendor Vetting	Evidence vendor met security requirements	1 of 10
Performance Work Statement or Statement of Work	Description of work and measurable performance standards	0 of 10
Afghan First Initiative Contract Source Selection	Justification for limiting competition to Afghan contractors	2 of 5

<sup>1</sup> Not all contracts we reviewed were required to have all types of control activities or documents based on the type or terms of the contract. Therefore, the numbers in the table reflect the number of contracts with incomplete, not final, or missing documentation out of the total number of contracts that were required to have such controls or documentation.

In addition, we found that the ACC-A did not properly administer the contracts in our sample. While we originally selected 15 contracts, we learned that the ACC-A had not yet begun conducting contract administration on 1 contract originally identified as having been delegated to the ACC-A for administration. Therefore, we reviewed the remaining 14 contracts within our 15-contract sample to determine if ACC-A contracting officials were performing contract administration in accordance with Federal regulations and ACC procedures. Overall, we found that ACC-A contracting officials did not conduct surveillance and oversight in accordance with required regulations and procedures for 13 of 14 contracts. Specifically, we found:

- The ACC-A did not follow NCR procedures.
  - ACC-A's NCR procedures require the acceptance of a contractor-developed corrective action plan prior to closeout of level II and III NCRs; however, four of five contracts administered by the ACC-A, which had level II (major) NCRs, were closed out even though the ACC-A had not yet accepted the contractor's corrective action plan.

<sup>27</sup> Among the sample of 15 contracts, only 10 were awarded by the ACC-A. The other five were delegated to the ACC-A after award for administration only.

- For level III (critical) NCRs, which are defined as a nonconformance likely to result in unsafe and hazardous conditions and likely to prevent performance of a vital mission, the ACC-A's procedures require contractors to submit a corrective action plan addressing the cause of the nonconformance within 15 business days. However, the ACC-A did not receive an acceptable corrective action plan in one case until 9 months after issuing the NCR and did not deduct or reject payments to the contractor during this period as required by the nonconformance payment instructions. Because the ACC-A did not follow the NCR procedure, this contract was at increased risk of contractor nonperformance and improper payment.
- The ACC-A did not follow procedures designed to track and manage Government property.
  - DFARS Procedures, Guidance, and Information 245.103-72 and corresponding guidance requires ACC-A officials to use the GFP module within the Procurement Integrated Enterprise Environment to generate GFP attachments to contracts.<sup>28</sup> We found that only one of three contracts with GFP in our sample had the required attachment present within the system as of June 2019. However, the contract modification incorporating the GFP attachment for that contract had not yet been processed. Therefore, GFP had not been added to any of the three contracts we reviewed.
  - Best practices contained within the ACC-HQ's Government Property SOP recommend tracking the delivery and acceptance of contractor-acquired property at least annually. However, when we requested listings of contractor-acquired property for the three multi-year cost reimbursable contracts in our sample, ACC-A officials could not provide information on contractor-acquired property for one of them. Using detailed invoice information on purchased equipment for the contract for which ACC-A could not provide the requested listing, we estimated, at a minimum, \$70 million in contractor-acquired property that had not been accepted by the Government or added to the contract and was therefore at an increased risk of loss or theft.

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<sup>28</sup> DFARS Procedures, Guidance, and Information 245.103-72, "Government-furnished property attachments to solicitations and awards," April 30, 2019. The Procurement Integrated Enterprise Environment is the DoD's electronic procurement and payment application, consisting of several modules designed to track contracts, change orders, invoice payments, and Government-furnished property.



Table 3 summarizes the results of our review of the 14 contracts in our sample that were administered by the ACC-A.<sup>29</sup> Table 6 in Appendix C provides detailed information on the types of documents reviewed as well as the criteria used to determine whether the ACC-A administered contracts in accordance with requirements.

*Table 3. Summary of Contract Administration Review*

Control Document or Activity	Purpose	Incomplete, Not Final, or Missing <sup>1</sup>
Contract Documentation	Provides visibility for contracting officers and CORs into past contract actions and contractor performance	12 of 14
Monthly Status Reports	Documents overall monthly contractor performance rating	2 of 14
Contract Closeout	Ensures funds are de-obligated in a timely manner and Government property is transferred back to the Government	4 of 7
Monthly Surveillance Checklists	Monthly performance report on specific contract requirements	3 of 7
Nonconformance Reports	Ensure contractors are responsive to areas of nonconformance and are addressing issues identified by the COR and contracting officer	4 of 5
Delegation of Administration <sup>2</sup>	Notification to delegated contract office of administration duties	1 of 5
GFP and Contractor-Acquired Property Tracking	Tracking of property to be turned over following contract completion	3 of 3
Property Management System Analysis	Ensures contractor's recordkeeping systems meet necessary standards to accurately track Government property	1 of 3

1 Not all contracts we reviewed were required to have all types of control activities or documents based on the type or terms of the contract. Therefore, the numbers in the table reflect the number of contracts with incomplete, not final, or missing documentation out of the total number of contracts that were required to have such controls or documentation.

2 This refers to the 15th contract in the sample, which was delegated to the ACC-A in the official contracting system of record, but for which the ACC-A did not receive the proper letter delegating authority for administration.

<sup>29</sup> The table also includes one section discussing the 15th contract in the sample, which was delegated to the ACC-A in the official contracting system of record, but for which ACC-A had not properly received a letter of delegation.

### ***ACC-A Contracting Officials Did Not Have Proper Training and Were Unaware of Required Procedures***

Through interviews with 17 ACC-A contracting officials deployed to Afghanistan and a review of ACC-A human resource documents, we determined that ACC-A officials did not perform contract award and administration in accordance with Federal regulations and ACC-A procedures because ACC-A contracting officials did not have the required knowledge, training, and experience needed to do so. Specifically, we identified that contracting officials did not have the certifications or training required to conduct contract award and administration and did not know which local ACC-A award and administration procedures were in effect.

*We determined that ACC-A officials did not perform contract award and administration in accordance with Federal regulations and ACC-A procedures because ACC-A contracting officials did not have the required knowledge, training, and experience needed to do so.*

### ***ACC-A Contracting Officials Did Not Have Proper Training or Certifications***

Based on interviews and the review of human resource documents, we found that six of nine ACC-A civilian contracting officers or contract specialists who oversaw the 15 contracts we selected stated that they did not receive CCAS training prior to deployment. This occurred even though CCAS training is designed to provide contracting officials with key information on how to oversee contractor performance. CCAS training is considered a best practice by the ACC for all civilian personnel deployed to manage contingency contracts and is required for all military personnel. In one case a contracting officer with experience only as a procurement contracting officer, specializing in pre-award contract matters, did not receive CCAS training even though the contracting officer was deployed as an administrative contracting officer responsible for post-award contract administration. As a result, that individual was not prepared or trained in the responsibilities of overseeing the post-award administration for any contract prior to deployment, whether in a contingency environment or not.

We also interviewed ACC-HQ officials and reviewed human resource documents provided by those officials and identified the following specific certification requirements:

- civilian contracting specialists hired at the GS-12 level (or military equivalent rank of O-3) were required to have a Level II certificate in Acquisition Career Field C (Contracting) under the Defense Acquisition Workforce Improvement Act (DAWIA) or to obtain one within 24 months of entry into duty;
- civilian contracting specialists hired at the GS-13 level (or military equivalent rank of O-4) were required to have a Level III certificate under DAWIA at the time they enter into duty; and
- all military contracting personnel, regardless of rank, were required to have a minimum Level II certificate under DAWIA at the time they enter into duty in a contracting support role.

Despite these requirements for ACC-A contracting officials to have specific DAWIA certifications, we determined that individuals selected for the ACC-A assignments in Afghanistan did not always have the certifications necessary for their positions or have the ability to obtain them during deployment. Specifically, when we reviewed personnel information provided by the ACC-A covering the entire command for those who deployed for the ACC-A in October 2019, we determined that at least 5 of 50 (10 percent) ACC-A contracting officials did not meet the DAWIA certification requirements for their positions at the time they deployed.<sup>30</sup> This included 2 of 17 individuals occupying GS-13 level (or military equivalent rank) positions who were required to possess the certification upon entry into duty. The remaining three individuals occupied positions that allowed them up to 24 months to obtain certification or were military personnel who were required to have a Level II DAWIA certification to perform contract functions. However, deployments of both military and civilian personnel to contracting positions in Afghanistan typically last only 9 to 12 months, effectively making the requirement meaningless, as the individual would not be in the position for the full 24 months allotted to obtain the certification. Furthermore, obtaining a Level II DAWIA contracting certificate requires attendance at two in-person training courses, making it unlikely that individuals deployed to Afghanistan for 9 to 12 months would be able to complete the requirements and obtain their certificate during their deployment.

<sup>30</sup> We reviewed the ACC-A organizational chart, which shows personnel by position, rank/grade, and DAWIA level. However, two contracting positions had no DAWIA level listed, and therefore we could not verify whether the personnel in those positions had DAWIA certifications consistent with the requirements of their position.

When we presented our findings on DAWIA certifications to ACC-A officials, they stated that because the ACC-A did not have a force structure authorization document, such as a Table of Distribution and Allowances (TDA) or a Modified Table of Organization and Equipment (MTOE), the ACC-A did not have defined personnel requirements and therefore must work with the personnel that are available. The ACC-A official stated that in cases where personnel did not have the required DAWIA certifications, the command tried to put personnel into roles where they could be successful.

DAWIA contracting certifications ensure that employees possess the required knowledge and skills to perform their duties effectively. The ACC-A's employment of contracting officials who did not possess the required DAWIA contracting certificates created a risk that its staff may not have had the required knowledge and skills to award and administer contracts in accordance with policies and procedures.

### ***ACC-A Contracting Officials Not Aware of Key Contingency Contracting Procedures***

Through interviews with nine ACC-A contracting officers and contracting specialists deployed to Afghanistan who oversaw the 15 contracts we reviewed, as well as a review of the documents within the ACC-A contract files, we determined that ACC-A contracting officials were unfamiliar with key contingency contracting procedures. These key procedures included the ACC-A acquisition instruction, the CCAS Handbook, and the ACC-A's SOPs for contract award and administration.

The ACC-A quality assurance program SOPs and the CCAS Handbook identified the ACC-A's implementation of contract surveillance responsibilities outlined in the FAR and stated that one responsibility contracting officials were required to perform was to document annual audits of the COR file in order to ensure all required documentation was present.<sup>31</sup> However, our review of the ACC-A's contract files found that no required annual COR audits had been performed on the contracts. Based on our interviews with contracting officers, this was due at least in part to unfamiliarity with the procedural requirements. For example, three of nine ACC-A contracting officials stated that they were not aware of or provided copies of the quality assurance program SOPs. These officials also reported being unfamiliar with the CCAS Handbook. Because ACC-A contracting officials were unfamiliar with the SOPs and other key documents, required oversight did not occur, increasing the risk of nonperformance, improper payments, and mismanagement of Government property.

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<sup>31</sup> ACC-A Quality Assurance Program, "Quality Assurance Standard Operating Procedure," October 1, 2018.

## **The ACC-A Lacked the Force Structure, Hiring and Training Processes, and Technical Resources to Effectively Award and Administer Contracts**

ACC-A officials did not perform contract award and administration in accordance with Federal regulations and ACC procedures because: (1) the ACC-HQ had not implemented an organizational document, known as a force structure, for the ACC-A detailing the required staffing levels, positions, roles, and qualifications of ACC-A staff; (2) the ACC-A used an improvised hiring and training process, including inconsistent hiring timelines, onboarding materials, and training to communicate procedural requirements to ACC-A contracting officials; and (3) the ACC-A's operations in Afghanistan subjected contracting officials to unreliable network conditions, including extended periods of Internet outage, slow connection speeds, and limited technical support.

### ***The ACC-HQ Did Not Implement a Force Structure for the ACC-A Command***

A key reason the ACC-A was unable to effectively award and administer contracts in accordance with Federal regulations and ACC procedures stems from ACC-A contracting officials' lack of both required qualifications and awareness of relevant procedures. This occurred because the ACC-A does not have a formal organizational staffing structure known as a force structure authorization document. Force structures define the number, type, and experience level of personnel assigned to a military unit based on their qualifications, roles, and responsibilities. According to Army Regulation 71-32, force structures, such as an MTOE or a TDA, define how a command is organized.<sup>32</sup> The force structure authorization document identifies billets assigned to specific military occupational specialty or civilian Office of Personnel Management job series and pay grades, as well as skill capabilities for military and civilian personnel. For example, military contracting units that operate under MTOEs or TDAs are required to have a set number of contracting officers and contract specialists (military occupational specialty 51C or civilian job series 1102) dedicated to contract award or administration at specific pay grades (such as O-4 for military or GS-13 for civilians). Importantly, each military occupational specialty or civilian job series identifies the detailed requirements of the position.

<sup>32</sup> Army Regulation 71-32 "Force Management—Force Development and Documentation Consolidated Policies," March 20, 2019.



According to ACC officials, the primary benefit of a force structure authorization document, such as an MTOE or a TDA, is that it provides commanders and their staff with information on which positions are needed, allowing them to make staffing plans and prepare the command in advance of funding changes. In the context of a deployable contracting unit, where military personnel rotate in and out of theater every 9 months, a force structure authorization document provides commanders with a list of positions that need to be filled in each rotation. In addition, it allows commanders and their staff to identify specific skillsets and training requirements when interviewing candidates to fill those positions, including the requirement to have specific levels of DAWIA certification.

To compare the staffing structure of the ACC-A to other deployed CSBs, we interviewed officials at the ACC-HQ and within the 408th CSB, located at Camp Arifjan, regarding the importance of a force structure such as an MTOE or a TDA in hiring qualified personnel to achieve mission goals. Like the ACC-A, the 408th CSB is under the command of the ACC, is located within U.S. Central Command, and provides contingency contracting support to U.S. forces operating in the area of responsibility. Unlike the ACC-A, however the 408th CSB operates under a TDA. Officials at both the ACC-HQ and within the 408th CSB stated that the force structure provided commanders with guidance when filling vacant positions. Documents provided by the 408th CSB show that a force structure document includes personnel budget limitations based on pay grade and rank as well as a definitive authorized end strength for each position type. Officials also stated that a force structure, when combined with proactive hiring practices, such as identifying and filling upcoming vacancies in advance of staff redeployment, significantly improved the ability to execute the command's mission.

However, according to ACC-HQ human resources personnel, the ACC-A does not operate under an MTOE, TDA, or similar force structure authorization document because as an overseas contingency operation the ACC-A is not considered an "enduring" (permanent) mission for funding purposes, whereas the operations of the 408th CSB are considered part of the base Defense budget. ACC-HQ officials stated that their understanding was that only missions funded with the base Defense budget could be organized under force structures such as an MTOE or TDA. Based on our review of Army regulations regarding force structure authorizations, we found no such restriction. Furthermore, ACC-HQ personnel could not provide a document confirming that overseas contingency operations and other non-enduring missions were not capable of having force structures implemented for them. Conversely, a human resources official from the ACC-HQ noted that under some circumstances, commands organized under TDAs have been funded at least in part from sources other than the base Defense budget. One example the official gave

was the use of funds from foreign military sales (administrative charges for goods and services to international military partners) being used to fund a command operating under a TDA. Therefore, the reason provided by the ACC-HQ for why the ACC-A does not currently operate under a force structure authorization document may not be a deterrent to implementing one.

Implementing guidance that identifies recommended training, as well as required certifications, staffing levels, and experience requirements, could improve the ACC-A's ability to identify and hire qualified contracting officials. Therefore, to provide guidance to the ACC-A Commander on organizational structure and skills requirements, the ACC Commanding General should identify and coordinate with required theater force providers to develop and implement a force structure or similar manpower authorization document for the ACC-A.

### ***The ACC-A Used an Improvised Hiring Process and Inconsistent Onboarding Materials***

Based on interviews with 28 ACC-A officials and our review of staffing documents provided by the ACC-A, we found that the ACC-A had no written staffing plan, and instead relied on an informal set of procedures that were inconsistently implemented. Specifically, the ACC-A did not have written procedures that: (1) defined when the hiring process for a vacancy or expected vacancy should begin; (2) specified requirements for posting positions or interviewing and selecting qualified candidates; and (3) identified onboarding materials and communication processes to prepare selected candidates for entry into duty in their positions.

### ***The ACC-A Did Not Identify or Hire Replacement Personnel in a Timely Manner***

In interviews, ACC-A contracting officials noted that the length of time from the date they were selected to the date they were deployed was approximately 90 days. Similarly, human resources personnel from the ACC-HQ and the 408th CSB stated that the hiring and training process for deployed positions could take up to 6 months from the date a position vacancy is announced until a new hire is ready to deploy. This lengthy training and deployment process increased the risk that positions may not have been filled in a timely manner without proactive planning to account for the time it takes to train new hires prior to deployment. For example, officials from the 408th CSB stated that to ensure replacement personnel are available to perform their duties in a timely manner, the 408th's written process for hiring new civilian contracting personnel begins 6 months before the current contracting official's scheduled redeployment date. The 408th's process consists of a discussion regarding potential extension of the deployment

for the current contracting official. If an extension is not agreed to, the hiring process for a replacement begins, and gives the command sufficient time to ensure a new hire is ready to deploy when the current contracting official returns to the United States.

*ACC-A had not yet identified replacement personnel for 19 of 20 contracting officials that were scheduled for redeployment within the following 180 days, including 5 of 6 individuals that were scheduled for redeployment within the following 90 days.*

However, we found that the ACC-A did not proactively identify and hire manpower necessary to accomplish its mission and effectively award and administer contracts. This occurred because the ACC-A did not follow a consistent process to identify and begin the hiring process for possible vacancies created by planned redeployment of civilian contracting officials in advance of the redeployment

date. Our review of ACC-A staffing documents also found that as of October, 2019, the ACC-A had not yet identified replacement personnel for 19 of 20 contracting officials that were scheduled for redeployment within the following 180 days, including 5 of 6 individuals that were scheduled for redeployment within the following 90 days. Additionally, we identified 10 out of 100 ACC-A positions as vacant on the ACC-A's organizational chart as of October, 2019, including 4 of 50 positions directly responsible for awarding and administering contracts. Therefore, we recommend that the ACC-A Commander develop and implement a plan to improve the hiring process for civilian contracting personnel. The plan should include written hiring procedures that specify a timeline for the hiring process.

### ***The ACC-A Did Not Have Written Procedures for Posting Positions or Interviewing and Selecting Qualified Candidates***

The ACC-A's selection procedures resulted in the ACC-A hiring contracting officials that did not meet the technical qualifications of the positions they were hired for. While official position descriptions for ACC-A positions provided by the ACC-HQ indicate the required certifications and skills needed, we determined that 2 of 17 ACC-A contracting personnel deployed as of October 2019 did not have the required DAWIA certification necessary for the positions they occupied at the time they entered into duty. Three additional individuals occupied positions allowing them up to 24 months to obtain DAWIA certification. However, given the 9- to 12-month deployment timeline and the certification requirement to attend two in-person training courses not offered in Afghanistan, meeting the requirement during deployment would be practically impossible. These oversights occurred because hiring officials did not ensure that applicants possessed the certification

and training requirements for the positions they were being considered for. An ACC-A official indicated that this occurred in part because the command does not have a force structure authorization document outlining required staffing levels for certain positions.

Based on interviews with ACC-A and ACC-HQ officials and our review of documents provided by the ACC-HQ, we also found that the ACC-A did not have written procedures that governed how open civilian contracting positions were announced or selected, or how hiring officials should determine whether candidates possessed the required certifications and skills for the positions they were being considered for. For example, we found that vacancy announcement methods used by the ACC-A varied from one deployment to the next and included:

- an internal “canvass” of ACC contracting officials when a position became available to determine interest;
- selection for interview from a list of ACC contracting officials who had previously expressed interest in serving in a deployed position (the ACC referred to this as its “deployable cadre”); and
- posting the position on USAJobs.gov.

According to ACC-HQ officials, the ACC-A determined which job announcement process would be used for a particular position, as well as the interview and selection procedures.

Having varying job announcement and selection procedures provides commanders flexibility in filling positions, especially for positions that are difficult to recruit. However, the ACC-A’s hiring of individuals who did not meet the requirements of the position descriptions for which they were selected means that the ACC-A did not have reasonable assurance that its hiring process consistently determined whether individuals were qualified to serve in the positions for which they applied.

Meanwhile, documents provided by the 408th CSB outlined its rigorous written hiring process, which was designed to prevent hiring unqualified individuals through reviewing position descriptions, using interview panels with subject-matter experts, and consulting with the Civilian Personnel Advisory Center regarding a candidate’s eligibility for a position. ACC-A officials acknowledged, however, that the ACC-A had no similar written processes regarding staffing. Therefore, we recommend that the ACC-A Commander develop and implement a plan to improve the hiring process for civilian contracting personnel. The plan should include controls to ensure all contracting officials have the required qualifications for the positions they hold.

### ***The ACC-A Did Not Have Written Processes to Prepare Newly Hired Personnel for Entry Into Duty***

Lastly, we found that ACC-A contracting officials were unaware of contract award and administration procedures because the ACC-A did not possess a consistent, written process to provide onboarding materials, training, and guidance to newly hired civilian contracting officials prior to deployment. For example, two of the nine civilian contracting officers we interviewed who oversaw the 15 contracts in our sample were told the specific contract they would be supporting in advance of their deployment, while two of the nine contracting officers we asked specifically stated that they were not informed until they had already deployed. Additionally, six of the nine contracting officers and contract specialists reported that they did not attend the 2-week long stateside CCAS training prior to their deployment—a best practice for civilians and a requirement for military personnel. The CCAS training, which is not offered in Afghanistan, provides information about contract

*Not all newly hired contracting officials received information on their specific duties in Afghanistan or the training they needed to perform those duties.*

administration procedures specific to the contingency environment. As a result, not all newly hired contracting officials received information on their specific duties in Afghanistan or the training they needed to perform those duties.

ACC-HQ officials stated that the ACC-A had an S1 (human resource) position that had been vacant for nearly a year and whose job it was to manage hiring and onboarding new staff. ACC-A officials stated that as of October 2019, the duties of that position were being performed by the ACC-A Deputy. However, we determined that not all duties of that position were being performed. As discussed, as of October 18, 2019, the ACC-A had not yet identified replacement personnel for 19 of 20 contracting officials scheduled for redeployment within the following 180 days, including 5 of 6 individuals that were scheduled for redeployment within the following 90 days. Identifying replacements for outgoing personnel is a key duty of the S1 position. ACC-A officials stated that they had filled the previously vacant S1 position in January 2020.

ACC-HQ human resources staff stated that there were obstacles to all deployed civilian contracting personnel attending CCAS training prior to deployment. According to the ACC-HQ human resources officials, the ACC-HQ offered the training only three times per year due to staffing limitations. As a result, for some newly hired contracting officials, no CCAS training was available prior to the date they deployed. ACC-HQ officials stated that they were working to transfer responsibility for the CCAS training class to the Centers of Excellence within the U.S. Army Training and Doctrine Command and to increase the course offerings



to five courses per year. Therefore we recommend that the ACC-A Commander develop and implement a plan to improve the hiring process for civilian contracting personnel. The plan should include steps to ensure the duties of the S1 position are performed if the position is vacant and standard operating procedures to provide newly hired contracting officials with information on their specific roles and responsibilities prior to deployment.

### ***Unreliable Network Connections Reduced the Effectiveness of ACC-A Operations***

ACC-A contracting personnel did not implement required surveillance and quality assurance procedures in part because the network connections used by contracting officials in Afghanistan provided unreliable access to electronic record keeping systems. Specifically, ACC-A contracting officials experienced extended periods of Internet outage, slow connection speeds, and limited technical support that reduced the effectiveness of the ACC-A's contract award and administration operations. While the Army is currently in the process of developing a new electronic contracting system of record, it is not clear that the new system will address these concerns.

### ***ACC-A Officials Could Not Always Access the Electronic Systems Needed to Effectively Award and Administer Contracts***

The ACC-A's oversight of contract award and administration relied on a combination of e-mail, shared drives, manually updated spreadsheets, and at least six separate electronic recordkeeping systems. Specifically, the oversight and administration of contracts took place within the contracting system of record as well as the following five separate online systems:

- (1) Wide Area Workflow, where contract invoices were submitted and reviewed;
- (2) My Invoice, a separate module within Wide Area Workflow that also cataloged invoice payments;
- (3) Electronic Document Access, a repository for official contract files, such as change orders;
- (4) Contracting Officer's Representative Tracking (CORT) Tool, which allowed CORs to upload quality assurance surveillance checklists and NCRs on contractor performance;<sup>33</sup> and

<sup>33</sup> CORT tool was retired in May 2019, following the completion of initial field work on this audit. Its replacement, Surveillance and Performance Monitoring, serves the same role regarding the uploading of surveillance reports, checklists, and NCRs, and does not address the issues identified above.

(5) GFP, the official repository for tracking Government property on a contract.<sup>34</sup>

Ensuring that all documentation was correct and final within these multiple systems for numerous contracts increased the workload of ACC-A contracting officials and made it very difficult to provide complete and proper oversight under deployed conditions, which included unreliable network access and significant personnel shortages.

For example, ACC-A contracting officials noted in interviews and we observed firsthand that access to the above electronic recordkeeping systems was unreliable in Afghanistan. Contracting officials stated that they frequently had difficulty maintaining access to upload required documentation due to network constraints, which included significant periods where Internet access was unavailable due to insufficient bandwidth, disruption by the enemy, or base lockdowns. During these periods, contracting officials could not perform their award and administration duties in accordance with procedures that required them to upload specific documents into the electronic recordkeeping systems. In some cases, officials did upload the required documents into systems when access was restored; however, this was not always the case.

Additionally, due to the fact that many of the contracts the ACC-A supports are considered part of a “no fail” mission—such as LOGCAP, which provides life support including meals, recreation, and welfare services to military and civilian officials stationed on U.S. bases in Afghanistan—contracting officials must continue to perform award and administration of these contracts even when the systems needed to document necessary approvals and reviews are inaccessible, but in some cases cannot do so. In one case, a contracting official informed the audit team that the official could not access the contracting system necessary to issue a delivery order on a contract with a “no fail” requirement. The official told the team that because the system was down, the delivery order could not be issued and the contracting team was waiting to receive notification that the system was accessible again so the request could be processed.

In addition to unreliable access to the electronic recordkeeping systems needed to award and administer contracts, ACC-A contracting officials had limited access to technical support to troubleshoot any issues they encountered. Due to the number of “no fail” contracts that the ACC-A supports, officials occasionally must process documents and authorizations on weekends. However, one ACC-A contracting

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<sup>34</sup> These five additional systems all reside within the Procurement Integrated Enterprise Environment (PIEE). PIEE also contains several additional electronic recordkeeping systems and modules that contracting officials must use to perform contract oversight, but those systems were outside the scope of this audit.

official told us that if there were difficulties accessing electronic systems over weekends, any requests for support went to a group e-mail inbox that was not monitored on weekends. The official stated that in such cases it was difficult to achieve a quick resolution to any issues that came up, and that the lack of weekend coverage for technical support slowed down the award and administration process.

### ***New Contracting System of Record Being Developed***

During the audit, ACC-A, ACC-HQ, and Deputy Assistant Secretary of the Army for Procurement officials stated that the Army was in the process of developing a new contract award and administration system, the Army Contract Writing System (ACWS). Specifically, they stated that the system would provide a single portal through which all pre- and post-award contract data would be stored and visible to contracting officers and CORs. This included information that is currently stored in the multiple electronic recordkeeping systems, including the contracting system of record, CORT tool, Electronic Document Access, Wide Area Workflow, and others.

According to information provided by officials from the Office of the Deputy Assistant Secretary of the Army for Procurement, the ACWS was scheduled to be fully operational in third quarter FY 2023. However, based on documents provided by those officials and interviews with ACC-HQ personnel, it was not clear whether the features of the new ACWS would provide ACC-A contracting officials with a solution for the connectivity and technical support issues that ACC-A officials identified and we observed as key hurdles to effective contract award and administration in contingency operating environments. Specifically, ACC-HQ officials stated that it would be helpful if the new ACWS had the ability to operate in a “disconnected state.” Based on the descriptions provided by ACC-HQ officials, the audit team defined a disconnected state as one that still provided contracting officials with access to a version of the system where they could both retrieve and enter contract award and administration information on their local systems. Such a version could then synchronize with the main system once network access was restored.

However, ACC-HQ officials stated that their understanding of the ACWS as currently envisioned was that it would not have the systems necessary to fully address those hurdles in a contingency environment. Officials from the Office of the Deputy Assistant Secretary of the Army for Procurement stated that the system would feature the ability to operate in a disconnected or limited bandwidth state as well as “24/7” technical support, but also noted that deployment of the system to a contingency environment would not occur before the system was fully developed. As a result, the Army does not currently have plans to field test the

new ACWS system in a contingency environment before the system achieves full operational capability. A lack of field testing may result in a system that does not provide contingency contracting officials with tools to address the connectivity issues they have experienced. Therefore, the Deputy Assistant Secretary of the Army for Procurement should engage the ACC in developing and testing the new ACWS to ensure the new system provides contingency contracting personnel with the capabilities necessary to effectively award and administer contracts in a contingency environment, such as Afghanistan, including the opportunity for field testing.

### **The ACC-A Had a Limited Ability to Oversee Contract Performance and Mitigate Fraud, Waste, and Abuse**

The lack of a force structure and proactive hiring procedures within the ACC-A, combined with inconsistent training, led to the deployment of contracting officials with limited knowledge and experience of contingency contracting requirements. In addition, unreliable network conditions in the operating environment of Afghanistan coupled with the systems not operating without connectivity limited the ACC-A's ability to effectively award and administer contracts. Overall, we found that:

- contract award and administration were inconsistent with requirements across all 15 contracts we reviewed, including the 10 contracts that the ACC-A awarded and the 14 contracts that the ACC-A administered;
- the ACC-A had not identified replacements for 19 of 20 contracting personnel scheduled to redeploy within the following 180 days (as of October 19, 2019), including 5 of 6 scheduled to redeploy within the following 90 days;
- 6 of 9 contracting officers and contract specialists who oversaw the 15 contracts we reviewed did not attend CCAS training prior to their deployment;
- at least 2 of 17 contracting officials within the ACC-A did not have the DAWIA certification requirements necessary for their positions; and
- at least \$70 million in contractor-acquired property on one contract had not been accepted by the Government or added to the contract for delivery to the Government.

Therefore, the ACC-A had a limited ability to ensure it was getting what it paid for on time and with the right capabilities. Furthermore, by not awarding and administering contracts in accordance with Federal regulations and ACC

procedures, the ACC-A did not have reasonable assurance that it successfully mitigated contract risks, such as nonperformance, improper payments, and mismanagement of Government property.

## Management Comments on the Report Finding

### *Deputy Assistant Secretary of the Army for Procurement Comments on the Army Contract Writing System Functionality*

The Procurement Insight/Oversight Director, responding for the Deputy Assistant Secretary of the Army for Procurement, stated that although the ACWS will provide a single, consolidated, point-of-entry for many of the contract writing capabilities currently dispersed across multiple legacy systems, there would continue to be requirements to access external DoD-level support systems such as Wide Area Workflow and Electronic Document Access. He also stated that ACWS users may still need to leverage these legacy systems in support of specific contract administration tasks, but that ACWS interfaces would provide the capability for data to flow automatically to and from them.

### *Our Response*

We thank the Deputy Assistant Secretary of the Army for Procurement for providing these clarifications on ACWS functionality. Our report states that the ACWS will serve as a “portal through which all pre- and post-award contract data will be stored and visible to contracting officers and CORs.” This includes data from the legacy systems discussed in the management comments. We agree with the Director; however, we did not change the ACWS section of the finding because the report does not state that these systems will be replaced or retired in their entirety.

### *Army Materiel Command Comments on the Report*

The AMC Executive Deputy to the Commanding General stated that AMC endorsed the report. She also stated that the AMC supported ACC’s response to the recommendations but shared the DoD OIG’s concern that contracting operations in Afghanistan may not be effective as they should be. The Executive Deputy to the Commanding General also stated that the AMC was committed to working with ACC and U.S. Forces Afghanistan to identify and correct root causes of the deficiencies identified in the report.



### *Our Response*

We thank the Executive Deputy to the Commanding General for providing this feedback on the report and the ACC's comments on the report recommendations. We appreciate the AMC's commitment to identifying and correcting the findings of this report.

## **Recommendations, Management Comments, and Our Response**

### *Revised Recommendation*

As a result of management comments, we revised draft Recommendation 1 to clarify the role of the ACC Commanding General to identify and coordinate with theater officials to develop and implement a force structure or similar manpower organizational document for the ACC-A. We also updated language within the finding accordingly.

### **Recommendation 1**

**We recommend that the Commanding General of the Army Contracting Command identify and coordinate with required theater officials to develop and implement a force structure or similar manpower organizational document for Army Contracting Command–Afghanistan.**

### *Army Contracting Command Comments*

The ACC Commanding General disagreed with the recommendation and stated that the recommendation should not be addressed to the ACC because the theater (United States Forces–Afghanistan), not the ACC, develops the force structure applicable to the ACC-A. The Commanding General further stated that the theater would have to update the force structure associated with the ACC-A's requirements, submit the force structure to the Joint Staff for validation, and update the force structure in the Secretary of Defense Operations Book.

### *Our Response*

Comments from the Commanding General did not address the specifics of our recommendation; therefore, the recommendation is unresolved and remains open. We disagree that the theater is responsible for developing and implementing a force structure or similar manpower authorization document for the ACC-A. Furthermore, the intent of the recommendation was to establish the ACC-A's organizational structure, staffing levels, and skill requirements to better document the manpower necessary for the ACC-A to successfully complete its mission. The ACC is the organization that best understands these needs because the ACC is

already responsible for deploying the CSBs for the ACC-A mission. The ACC could develop a document, similar to a force structure, that standardizes the elements of the ACC-A's staff organization (such as teams and reporting lines), the number of staff needed by position (such as contract specialists, contracting officers, procurement analysts), and necessary specialized training or experience.

Furthermore, Army Regulation 570-4 states that the manpower requirements determination process is a key step in implementing a force structure or similar manpower authorization document and "implementation of workload management and manpower requirements determination processes is the responsibility of the chain of command."<sup>35</sup> Further, Army Regulation 570-4 also states that all Army Major Command Headquarters are designated as manpower requirements determination authorities with the responsibility to conduct manpower requirements determination procedures in accordance with regulations for organizations under their command.

Revisions to Army Regulation 10-87, September 4, 2007 remove the term "Army Major Command" from use and designate instead these organizations as "Army Commands."<sup>36</sup> Army Regulation 10-87 designates the AMC as an Army Command that "provides mission command for contracting missions," among other duties.<sup>37</sup> This is consistent with the ACC's organizational chart, which identifies the ACC-A as a subordinate command of the ACC and identifies the ACC as a subordinate command of the AMC. Based on this, we determined that the authority for the development of a force structure or similar manpower authorization document would rest with the ACC, and ultimately the AMC.

However, we recognize that the ACC-A is also a deployed contracting command that supports Operation Freedom's Sentinel and operates within United States Central Command under United States Forces – Afghanistan. Therefore we have revised the language in this recommendation to account for the likelihood that the development of a force structure or other manpower authorization document for the ACC-A will require the coordination of multiple different commands. We request that the ACC reconsider its position on the revised recommendation and provide comments on the final report that identify the steps the ACC will take to coordinate with theater officials to develop and implement a force structure or similar manpower organizational document for the ACC-A.

<sup>35</sup> Army Regulation 570-4, "Manpower and Equipment Control–Manpower Management," February 8, 2006.

<sup>36</sup> Army Regulation 10-87, "Organization and Functions – Army Commands, Army Service Component Commands, and Direct Reporting Units," September 4, 2007.

<sup>37</sup> Army Regulation 10-87, "Organization and Functions–Army Commands, Army Service Component Commands, and Direct Reporting Units," December 11, 2017.

## ***Recommendation 2***

**We recommend that the Commander of the Army Contracting Command–Afghanistan develop and implement a plan to improve the hiring process for civilian contracting personnel. The plan should include:**

- a. Written hiring procedures that specify a timeline for the hiring process.**

### ***Army Contracting Command Comments***

The ACC Commanding General, responding for the ACC-A Commander disagreed with the recommendation and stated that the Army Contracting Command–Afghanistan had a written hiring process that had been in place since 2018 and was updated in January 2020. The Commanding General stated that establishing a standard timeline was difficult because ACC-A personnel had the option to leave the theater at any time with little notice. According to the Commanding General, ACC-A attempted to fill vacant positions (except supervisory) first through the deployable cadre program and USAJobs, which takes approximately 5 to 6 months.

### ***Our Response***

Comments from the Commanding General did not address the specifics of our recommendation; therefore, the recommendation is unresolved and remains open. We disagree that establishing a standard hiring timeline is difficult. The hiring timeline and process for the positions filled through the ACC's deployable cadre is a month and a half and for positions filled through USA Jobs is 5 to 6 months. The ACC-A could identify hiring actions and phases in its written hiring process with an expected timeline to follow that covers both planned and unplanned vacancies.

The Commanding General stated that the ACC-A had a written hiring process, but during the course of the audit, the audit team repeatedly requested the ACC-A's written hiring process documentation and determined through interviews with ACC-A staff and a review of ACC-A documents that no written processes existed that: (1) defined when the hiring process for a vacancy or expected vacancy should begin; (2) specified requirements for posting positions or interviewing and selecting qualified candidates; and (3) identified onboarding materials and communication processes to prepare selected candidates for entry into duty in their positions. If the ACC-A does possess written hiring processes that cover these topics, we request that the ACC-A provide this information in response to this final report.

- b. Controls to ensure all contracting officials have the required qualifications for the positions they hold.**

### ***Army Contracting Command Comments***

The ACC Commanding General, responding for the ACC-A Commander agreed with the recommendation, stating that all personnel in the 1102 series are qualified to perform contract specialist duties, or if warranted, contracting officer duties prior to selection. The Commanding General further stated that the ACC-A required all selectees to provide a copy of their DAWIA certification once selected under the deployable cadre program.

### ***Our Response***

Comments from the Commanding General addressed the specifics of our recommendation; therefore, the recommendation is resolved, but remains open. We will close the recommendation once we review the ACC-A's written hiring process for controls to ensure contracting officials have the required qualifications and evidence that all personnel currently serving in contract specialist roles in the ACC-A meet the DAWIA requirements for the positions they hold.

- c. Steps to ensure the duties of the S1 position are performed if the position is vacant and standard operating procedures to provide newly hired contracting officials with information on their specific roles and responsibilities prior to deployment.**

### ***Army Contracting Command Comments***

The ACC Commanding General, responding for the ACC-A Commander disagreed with the recommendation and stated that the ACC provided staffing support for the ACC-A during any gaps between the incoming and outgoing S1 personnel. The Commanding General also stated that it was difficult for the ACC-A to provide newly hired contracting officials directions on their specific roles and responsibilities due to the extremely fluid nature of the ACC-A's contracting mission, where assignment of individual contracts can change rapidly based on mission needs. According to the Commanding General, ACC-A selected the most qualified individual to provide oversight and coordinate the S1 personnel responsibilities. In addition, a continuity file was created to assist with the S1 processes during periods of personnel vacancies.

The Commanding General stated that all contracting officials were qualified to perform all contracting specialist and contracting officer duties prior to selection. The Commanding General also stated that the process for soliciting, awarding, and administering a contract in a deployed environment was the same basic process throughout ACC. In addition, the Commanding General stated that all personnel

resumes were reviewed, individuals interviewed, and reference checks conducted. According to the Commanding General, an internal review of ACC-A's CCAS staff did not identify any members that did not attend CCAS training.

### ***Our Response***

Comments from the Commanding General did not address the specifics of our recommendation; therefore, the recommendation is unresolved and remains open. We disagree that the ACC provided adequate staffing support during the ACC-A's yearlong S1 vacancy. For example, in October 2019, while the ACC-A's S1 position was vacant, we found that the ACC-A had not identified replacements for 19 of 20 contracting personnel scheduled to redeploy within the following 180 days (as of October 19, 2019), including 5 of 6 scheduled to redeploy within the following 90 days. Since the ACC-A was understaffed in October 2019, delays in performing S1 duties, such as identifying and processing replacements could have caused additional staffing shortages and prevented incoming officials from receiving the proper training (CCAS) before deploying. Additionally, in interviews, several ACC-A contracting personnel with CCAS duties stated to us that they had not attended CCAS training and were not informed regarding their responsibilities for contract administration until after they arrived in theater.

While we understand that the fluid nature of the contracting mission in Afghanistan, including unexpected vacancies due to deployment curtailments, can make it difficult to fill needed positions, the intent of this recommendation was to improve the ACC-A's readiness and capability to respond to these rapidly shifting conditions. We request that the ACC reconsider its position on the recommendation and provide comments on the final report that identify the steps the ACC will take to ensure the duties of the S1 position are fulfilled in the event the position is vacant.

### ***Recommendation 3***

**We recommend that the Deputy Assistant Secretary of the Army for Procurement develop and implement a written plan to:**

- a. Engage the Army Contracting Command-Headquarters in developing and testing the new Army Contract Writing System to ensure the new system provides contingency contracting personnel with the capabilities necessary to effectively award and administer contracts in a contingency environment, such as Afghanistan.**

### *Deputy Assistant Secretary of the Army for Procurement Comments*

The Procurement Insight/Oversight Director, responding for the Deputy Assistant Secretary of the Army for Procurement, agreed with the recommendation, stating that it was the intent of the Deputy Assistant Secretary of the Army for Procurement and the ACWS Project Manager to continue collaborating with the ACC-HQ throughout the ACWS development and testing process, including soliciting assistance of contract specialists and contracting officers with experience in contingency and expeditionary contracting missions.

### *Our Response*

Comments from the Procurement Insight/Oversight Director addressed the specifics of our recommendation; therefore, the recommendation is resolved but will remain open. We will close the recommendation once we receive an ACWS development and testing plan identifying ongoing ACC-HQ and contingency contracting official involvement in ACWS deployment.

- b. Provide contracting officials access to the Army Contract Writing System in the field for testing before the system achieves full operational capability and for identifying any potential issues or challenges unique to the contingency operating environment, including the ability to operate the system effectively under unreliable network conditions.**

### *Deputy Assistant Secretary of the Army for Procurement Comments*

The Procurement Insight/Oversight Director, responding for the Deputy Assistant Secretary of the Army for Procurement, agreed with the recommendation, stating that the Deputy Assistant Secretary of the Army for Procurement and the ACC-HQ would coordinate with the ACWS Project Manager to include current contingency contracting officials in the testing plan beginning with the initial operational capability deployment of the system, currently scheduled for FY 2021. The Director further stated that the Deputy Assistant Secretary of the Army for Procurement would request that the ACWS Project Manager include operational testing of the ACWS from locations outside the contiguous United States and within contingency environments in the testing schedule. Lastly, the Director indicated that the ACWS Project Manager would address the requirement that ACWS operate in a disconnected state in the full deployment release of the system.

### *Our Response*

Comments from the Procurement Insight/Oversight Director addressed the specifics of our recommendation; therefore, the recommendation is resolved but will remain open. We will close the recommendation once we receive an ACWS development and testing plan that identifies a timeline for planned testing in contingency environments prior to full operational capability.



## Appendix A

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### Scope and Methodology

We conducted this performance audit from January 2019 through March 2020 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

We conducted this performance audit at the ACC-A offices at Bagram Airfield and Kandahar Airfield, Afghanistan, and at the ACC-HQ offices at Redstone Arsenal. The scope of our audit included all contracts either awarded or administered by the ACC-A from January 1, 2016, to December 31, 2018, resulting in a total contract universe of 821 contracts. The audit universe contained multiple contract types, such as:

- indefinite-delivery contracts, blanket purchase agreements, basic ordering agreements, and purchase orders; and
- other contract types that are not indefinite-delivery.

The audit team then set a materiality threshold of \$1 million in total obligations to produce a manageable sampling universe. A total of 726 contracts fell below this threshold, resulting in a final sampling universe of 95 contracts. The team analyzed preliminary contract data, such as contract type (fixed price vs. cost reimbursable), award type (sole source vs. competitive), delivery type (goods, construction, or service contract), requiring activity, previous audit findings, and total obligations for all 95 contracts in the sampling universe. To obtain a diverse sample, the team nonstatistically selected 15 contracts based on the preliminary analysis and selected contracts for different services, such as base life support, maintenance, private security, airlift, fuel, logistics, communications, network operations, and Internet services.

During the audit, we interviewed 17 ACC-A contracting officers, quality assurance specialists, and property administrators who oversaw the contracts in our sample to determine the roles, responsibilities, and relevant procedures followed for contract award and administration. In addition, we reviewed the ACC and ACC-A's contract award and administration procedures for compliance with

the requirements of the Federal Acquisition Regulation, DFARS, and AFARS. Specifically, we determined whether the ACC-A awarded and administered contracts in accordance with:

- FAR 4.803 - Government Contract Files, Contents of Contract Files
- FAR 4.804 – Government Contract Files, Closeout of Contract Files
- FAR 16.504 – Indefinite Delivery Contracts, Indefinite Quantity Contracts
- FAR 37.601 – Service Contracting, General
- FAR 42.202 – Contract Administration and Audit Services, Assignment of Contract Administration
- FAR 46.401 –Quality Assurance, Government Contractor Quality Assurance
- FAR 46.407 – Quality Assurance, Nonconforming Supplies or Services
- DFARS 246.202-4 – Contract Quality Requirements, Higher Level Contract Quality Requirements
- AFARS 5107.9002 - Independent Government Estimates, Policy
- AFARS 5107.103-90 – Acquisition Plans, Approvals

After determining that the ACC and the ACC-A's award and administration procedures were in accordance with the FAR, DFARS, and AFARS, we reviewed the ACC-A pre- and post-award contract documentation for compliance with those procedures. Table 4 identifies the specific documents we reviewed.

*Table 4. ACC-A Contract Documentation Reviewed*

Pre-award (10 Contracts)	Post-award (15 Contracts)
Acquisition Plan	Contract Closeout Documentation
Approval and Justification	Delegation Letters
Determination and Findings	Government-Furnished Property Records
Independent Government Cost Estimates	Invoices and Receiving Reports
Market Research	Monthly Surveillance Checklists
Performance Work Statements	Nonconformance Reports
QASP	Performance Work Statements
Source Selection Plan	QASP

Source: The DoD OIG.

Following initial fieldwork, we conducted additional interviews regarding ACC and ACC-A staffing policies at the ACC-HQ at Redstone Arsenal. We also interviewed personnel over teleconference from the 408th CSB at Camp Arifjan. We followed up these interviews with document requests to the ACC-A, ACC-HQ, and 408th CSB to identify internal control weaknesses and best practices in hiring, staffing, and training.

## Use of Computer-Processed Data

We used computer-processed data to determine the initial contract universe within the audit scope. The ACC-HQ provided the data to the audit team through a query of the Virtual Contracting Enterprise–Business Intelligence system that the ACC uses to track and manage contract award and administration. To verify the integrity of the data provided by the ACC-HQ, the team took the following steps:

- Requested supplementary information on how the ACC-HQ pulled the information from the Virtual Contracting Enterprise–Business Intelligence system, including a detailed explanation of the settings used and screenshots capturing the selections made. The ACC-HQ provided this information, which provides reasonable assurance that the ACC-HQ set parameters within the Virtual Contracting Enterprise–Business Intelligence system consistent with the requests of the audit team.
- Selected five contracts from the data provided by the ACC-HQ and verified the details of each obligation of funds for those contracts in the Federal Procurement Data System. The selected contracts all contained the same obligation dates and amounts in the Federal Procurement Data System as in the data provided by the ACC-HQ. Therefore, the team concluded that the data provided by the ACC-HQ from the Virtual Contracting Enterprise–Business Intelligence database were sufficiently reliable for the purpose of source selection.

## Appendix B

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### Prior Coverage

During the last 9 years, the DoD OIG, SIGAR, and the Army Audit Agency issued 25 reports discussing internal control and risk mitigation issues in contingency contracting. Unrestricted DoD OIG reports can be accessed at <http://www.dodig.mil/reports>. Unrestricted Army Audit Agency Reports can be accessed at <https://www.aaa.army.mil>.

### ***DoD OIG***

Report No. DODIG-2018-139, “DoD Management of the Enhanced Army Global Logistics Enterprise Maintenance Contract in Afghanistan,” July 23, 2018

The DoD OIG determined that the ACC-Afghanistan did not monitor contractor performance of certain critical requirements or monitor contractor costs for the Enhanced Army Global Logistics Enterprise Maintenance Afghanistan task order to ensure that vehicles and weapons were maintained in accordance with the contract requirements. Specifically, CORs did not determine actual contractor performance for critical requirements (including maintenance turnaround time), conduct consistent sampling of contractor documentation to determine compliance with contract requirements, or monitor contractor invoices. As a result, the Army does not have reasonable assurance that the Enhanced Army Global Logistics Enterprise Maintenance Afghanistan contractor complied with certain critical requirements of the contract.

Report No. DODIG-2018-119, “DoD Oversight of Logistics Civil Augmentation Program in Afghanistan Invoice Review and Payment,” May 11, 2018

The DoD OIG determined that DoD officials did not conduct sufficient voucher reviews for services provided under the LOGCAP IV contract. Specifically, ACC and Defense Contract Audit Agency officials did not adequately monitor all 128 LOGCAP IV vouchers submitted from 2015 to 2017 for questionable and potentially unallowable costs. The inadequate monitoring occurred because DoD policy regarding voucher reviews did not clearly state what role contracting officials should have in reviewing vouchers or establish an expectation of how the contract administration office could augment voucher reviews. As a result, the Army paid all 128 LOGCAP vouchers the contractors submitted from 2015 to 2017, a total of \$2.4 billion, with little or no examination of the supporting documentation, raising the risk that the contractor may have been paid for incomplete or noncompliant work.

Report No. DODIG-2018-040, "Army Oversight of Logistics Civil Augmentation Program Government-Furnished Property in Afghanistan," December 11, 2017

The DoD OIG determined that the Army did not perform effective oversight of LOGCAP GFP in Afghanistan. Specifically, the Army Sustainment Command did not include at least 26,993 items provided to contractors in the Army's accountable property records. The records were incomplete because the ACC-Rock Island did not properly modify the LOGCAP IV contract for GFP transfers and did not coordinate transfers with the property book officer. In addition, Army guidance did not include sufficient controls for identifying and resolving GFP accountability deficiencies. As a result, at least \$99.9 million in property was at increased risk of being lost, stolen, or unaccounted for without Army detection.

Report No. DODIG-2017-065, "The Army Needs to Improve Processes for Single-Award, Indefinite-Delivery Indefinite-Quantity Contracts," March 14, 2017

The DoD OIG determined that contracting personnel at Army Contracting Command-Aberdeen Proving Ground did not support the award of a sole-source contract, valued at \$192 million, with a required Determination and Findings because the officials wrongly believed the Justification and Approval document was sufficient. In addition, officials from the Office of the Deputy Assistant Secretary of the Army (Procurement) and Army Contracting Command - Redstone Arsenal did not properly process single-award indefinite-delivery indefinite-quantity contracts because the Army did not have uniform guidance to prepare, review, and submit Determination and Findings documents for these types of contracts.

Report No. DODIG-2017-062, "The Army Did Not Effectively Monitor Contractor Performance for the Kuwait Base Operations and Security Support Services Contract," March 7, 2017

The DoD OIG determined that the Army did not effectively monitor contractor performance for the Kuwait Based Operations and Security Support Services contract. Specifically, Area Support Group-Kuwait, ACC-Rock Island, and the 408th CSB did not ensure that the QASP and the surveillance checklists were updated to reflect changes to the contract requirements, CORs provided inconsistent surveillance of the contractor, and contractor ratings in the monthly performance evaluation meetings were not accurate. These situations occurred because contracting officials did not establish formal processes to disseminate contractual changes, accurately track COR reporting, or define performance evaluation meeting requirements.

Report No. DODIG-2017-035, “The Army Did Not Have Assurance That Heavy Lift Contractors in Kuwait Complied With Contract Requirements,” December 15, 2016

The DoD OIG determined that the Army did not provide effective oversight of the Heavy Lift VII contracts in Kuwait. Specifically, the CORs on the contracts did not perform monthly surveillance of the contractors and contracted vehicles or use the approved checklist to document surveillance. This occurred because the administrative contracting officer and the quality assurance specialist did not provide the CORs with a QASP that mirrored contract requirements and instead issued verbal guidance. Furthermore, although the CORs identified contractual deficiencies, the contracting officer did not address the deficiencies because the contracting officer and quality assurance specialist did not regularly communicate with the CORs or review and analyze the COR surveillance results.

Report No. DODIG-2017-027, “The Combined Security Transition Command–Afghanistan Needs to Strengthen the Controls Over U.S. Direct Assistance Funding,” December 1, 2016

The DoD OIG determined that the Government of the Islamic Republic of Afghanistan and Combined Security Transition Command–Afghanistan implemented several measures to strengthen controls over the contract management process. However, U.S. direct assistance funding continues to be vulnerable to waste, fraud, and abuse due to ongoing shortfalls in the Afghan government’s contracting process, including a decentralized procurement process and insufficient internal controls that raise risk, including a failure to identify areas of high risk within the procurement process and occasions where provincial leaders have entered into informal agreements with contractors for goods and services without authority to obligate the government.

Report No. DODIG-2016-112, “Army Officials Did Not Consistently Comply With Requirements for Assessing Contractor Performance,” July 25, 2016

The DoD OIG determined that officials at the National Guard Bureau, U.S. Army Corps of Engineers, and the ACC did not consistently comply with requirements for evaluating past contractor performance when preparing performance assessment reports. Specifically, officials did not prepare 21 of the 56 assessment reports within the 120-day required timeframe and 52 of the 56 reports did not contain sufficient written narratives to justify the ratings given. These conditions occurred because Army procedures did not adequately address timeliness and assessors were not properly trained.



Report No. DODIG-2016-065, “U.S. Army Central and U.S. Army Contracting Command–Rock Island Need to Improve Facility Maintenance at King Abdullah II Special Operations Training Center,” March 23, 2016

The DoD OIG determined that U.S. Army Central and ACC-Rock Island officials did not effectively maintain facilities at the King Abdullah II Special Operations Training Center. Specifically, the contractor did not install required equipment, such as fire extinguishers and smoke detectors, due to a lack of monitoring by the COR; mold and mildew accumulated within showers because ACC-Rock Island and U.S. Army Central officials did not include a requirement in the contract to prevent and remove mold and mildew; ACC-Rock Island officials mistakenly omitted a required clause regarding the safety of facilities, infrastructure, and equipment for military operations; ACC-Rock Island and U.S. Army Central officials did not include appropriate requirements in the contract related to heating and air conditioning repair and replacement; U.S. Army Central officials did not create a reliable process to track facility repairs; and ACC-Rock Island and U.S. Army Central officials did not effectively oversee the contractor’s performance and could not verify that the facilities received periodic maintenance.

Report No. DODIG-2016-004, “Army Needs to Improve Contract Oversight for the Logistics Civil Augmentation Program’s Task Orders,” October 28, 2015

The DoD OIG determined that although the Army appointed an adequate number of CORs to oversee the task order, the Army did not ensure the CORs provided sufficient oversight for the \$33.8 million LOGCAP task order issued to support Operation United Assistance. Specifically, Army officials accepted the risk of appointing CORs without proper training and the procurement contracting officer did not develop a QASP as required by the Federal Acquisition Regulation.

Report No. DODIG-2015-147, “U.S. Army Contracting Command–Rock Island Needs to Improve Contracting Officer’s Representative Training and Appointment for Contingency Contracts,” July 10, 2015

The DoD OIG determined that ACC-Rock Island controls for monitoring contractor performance for seven task orders valued at \$7.6 million were generally effective. However, for one of seven task orders, the ACC-Rock Island procuring contracting officer did not appoint CORs in accordance with DoD requirements. This occurred because the procuring contracting officer did not include COR appointment authority in the administrative contracting officer’s delegation letter. As a result, ACC-Rock Island officials did not ensure qualified individuals were assigned to monitor contractor performance.

Report No. DODIG-2015-101, "Contingency Contracting: A Framework for Reform—2015 Update," March 31, 2015

The DoD OIG reviewed 40 OIG-issued reports and identified nine systemic contracting problem areas relating to contingency operations. The five most prevalent problem areas were oversight and surveillance, contract requirements, property accountability, financial management, and contract pricing. Additionally, the DoD OIG reviewed 21 fraud investigations of criminal offenses and found those offenses affected six contracting areas—source selection, oversight and surveillance, financial management, contractor personnel, property accountability, and contract documentation.

Report No. DODIG-2012-134, "Contingency Contracting: A Framework for Reform—2012 Update," September 18, 2012

The DoD OIG reviewed OIG-issued reports and identified nine systemic contracting problem areas relating to contingency operations. The five most prevalent problem areas were oversight and surveillance, financial management, contract pricing, requirements, and property accountability. The DoD OIG also reviewed 20 fraud investigations of criminal offenses that occurred during contract award and administration and found those offenses affected the contracting areas of source selection, oversight and surveillance, and financial management.

Report No. D-2010-059, "Contingency Contracting: A Framework for Reform," May 14, 2010

The DoD OIG reviewed 34 reports issued by the OIG between October 1, 2007, and April 1, 2010, and identified 10 systemic issues related to contracting deficiencies, with the top issue areas in contract requirements, pricing, oversight and surveillance, property accountability, and financial management. The DoD OIG also reviewed 19 fraud investigations that occurred over the same period and determined that the criminal offenses occurred during the award and contract administration phases.

## **SIGAR**

Report No. SIGAR 19-50-IP, "Afghanistan's North East Power System Phase I: Construction Deficiencies, Contractor Noncompliance, and Poor Oversight Resulted in a System that May Not Operate Safely or At Planned Levels," August 2019

The report reviewed whether the North East Power System, Phase I (1) was constructed in accordance with contract requirements and applicable construction standards, and (2) is being used. SIGAR found several issues with

the contractor's workmanship on the project, and that the U.S. Army Corps of Engineers conducted poor oversight of the project. Specifically, SIGAR stated that the Army Corps of Engineers did not document construction deficiencies or confirm that the contractor corrected them as part of the inspection process, which was designed to ensure that contractors complied with contract requirements. Additionally, SIGAR found that the Army Corps of Engineers did not test the power system at its maximum capacity, as the contract required.

## **Army**

Report No. A-2018-0031-ALC, "Follow-up Audit of Visibility and Oversight of Service Contracts," February 14, 2018

The Army Audit Agency determined that responsible principals took actions to implement the two recommendations from Army Audit Report A-2015-0067-ALC. However, the Army can take further action to ensure the ongoing efforts are enduring Army-wide.

Report No. A-2016-0041-MTT, "Expeditionary Contracting Material Weakness," February 22, 2016

The Army Audit Agency determined that while contracting activities have made progress to address numerous milestones required to close the Army's expeditionary contracting material weakness, significant problems with expeditionary contracting oversight, staffing, and management controls continued to exist at Army contracting activities. Specifically, only one of three commands reviewed had implemented a robust and institutionalized contracting officer warranting program to improve oversight and management controls and the ACC and Expeditionary Contracting Command were not able to realize increased personnel levels required by the material weakness corrective actions to improve workload and oversight. As a result, program management reviews have not validated that management controls are working effectively to ensure a gradual decrease in risk ratings.

Report No. A-2015-0067-ALC, "Visibility and Oversight of Service Contracts," May 14, 2015

The Army Audit Agency determined that the Army did not have full visibility and oversight of its population of service contracts. Specifically, the Army did not have a single reliable system that provided a complete view of the number and cost of service contracts Army-wide. As a result, the Army did not have the information needed to make accurate data-informed decisions and take

appropriate actions on most aspects related to service contracts, such as planning, budgeting, and execution tracking for service requirements, and to achieve needed spending reductions and efficiencies.

Report No. A-2015-0019-ALC, "Service Contract Oversight Material Weakness," December 18, 2014

The Army Audit Agency determined that the Army's service contract oversight material weakness could not be closed. Despite the implementation of the COR Module to review COR assignments and training records, a review of 140 service contracts showed that about 14 percent of contracts did not have CORs assigned, 58 percent of contracts did not have CORs appointed prior to contract award, 11 percent of assigned CORs did not meet established training requirements, 69 percent of QASPs did not have a detailed list of the items CORs should inspect, and about 56 percent of CORs did not regularly send surveillance reports to the contracting officer assessing contractor performance.

Report No. A-2014-0115-ALC, "Organization and Alignment of Army Contracting," September 29, 2014

The Army Audit Agency determined that the Army's current organizational structure does not provide sufficient command and control over all stakeholders in the cradle-to-grave contracting process. Specifically, while the Army has taken significant actions to improve its contracting processes and procedures since the 2007 Gansler Commission report, opportunities still exist to better institutionalize, establish, and maintain accountability for quality contracting throughout the Army. As a result, the Army could not fully close out its two material control weaknesses related to the oversight of service contracts and expeditionary contracting.

Report No. A-2014-0078-FMI, "Foreign Language Support Contract Requirements–Afghanistan," June 19, 2014

The Army Audit Agency determined that Combatant Command activities and units in Afghanistan developed and implemented a variety of controls related to managing foreign language support requirements in theater. However, the improved controls and emphasis placed on the foreign language support requirements process were short-term solutions to the foreign language support contract requirements process. Without continued emphasis and specific guidance for foreign language support, neither the DoD nor the Army will have assurance that requirements are right-sized in future operations.

Report No. A-2014-003-MTE, “Force Protection–Contractor Accountability,”  
October 31, 2013

The Army Audit Agency determined that processes and procedures generally were not in place or operating for tracking contractor personnel or for validating their authorized privileges. Contracting activities and contract management organizations did not follow procedures to make sure required contractor personnel were accounted for in the Synchronized Predeployment and Operational Tracker. Without established processes or controls, U.S. Forces–Afghanistan and base commanders did not have visibility or accountability of contracts executed on bases. As a result, the Army had no assurance that contractor personnel were authorized to use base services or properly demobilized equipment, personnel, worksites, and land space after the contract expired.

Report No. A-2013-156-ALC, “Management of Contracting Officer’s Representatives,”  
June 13, 2013

The Army Audit Agency determined that Army contracting activities that had begun using the new Virtual Contracting Enterprise-COR Module used a risk-based approach for assigning CORs. For those contracts using the COR Module, contracting officers properly selected and assigned CORs because the module prevented contracts from being awarded until their level of complexity had been assessed and the COR’s training requirements had been documented. As a result, contracting officers using the COR Module, as required by Army policy, were more likely to obtain the level and quality of contract oversight necessary to make sure customers receive the best value for contracted products, goods, and services.

Report No. A-2013-0110-MTE, “Cost Sharing: Logistics Support, Services, and Supplies – U.S. Forces–Afghanistan,” June 13, 2013

The Army Audit Agency determined that U.S. Forces–Afghanistan and regional commands did not have sufficient processes and procedures in place to identify and equitably allocate costs of logistics support, services, and supplies shared with coalition partners. Additionally, regional command and U.S. Forces–Afghanistan acquisition and cross-servicing agreement coordinators did not prepare CC-35 transaction reports to capture the cost of services provided to coalition partners. As a result, the Army Audit Agency estimates that the Army paid for about \$706.7 million in logistics support, services, and supplies that could have been billed to coalition partners.

Report No. A-2013-0015-MTE, "Audit of Contract Management–Atmospherics Program–Afghanistan," May 23, 2012

The Army Audit Agency determined that the contract requirements stated in the performance work statement of the Atmospherics Program–Afghanistan contract were not detailed, specific, and measureable. In addition, the requiring activity did not revalidate the annual requirements to ensure they agreed with the evolving needs of the program. The Army Audit Agency determined that by not having performance objectives with measureable standards or criteria, contractor personnel may have performed tasks that could have been viewed as inherently governmental functions, or performed tasks that subjected them to continuous supervision by a Government employee, thus creating a personal services situation. Additionally, a lack of detailed, clearly stated, and measureable performance standards reduced the effectiveness of oversight and administration.



## Appendix C

### Detailed Results of ACC-A Contract Sample

Our review of 10 contracts awarded by the ACC-A out of the 15 contracts we selected found that ACC-A contracting officials did not award 9 of the 10 contracts in accordance with Federal regulations or ACC procedures, including instances where ACC-A contracting officials did not upload final pre-award documentation for items, such as purchase requests, independent Government cost estimates (IGCE), or QASPs. We also found in several instances that required documentation did not exist. Additionally, ACC-A contracting officials did not review QASPs to ensure all required elements were included in that document. Detailed results of our review are presented in Table 5.

*Table 5. Detailed Results of ACC-A Contract Award Review*

Control Document or Activity	Purpose	Requirement	Incomplete, Not Final, or Missing <sup>1</sup>
Purchase Request	Evidence of obligated funds at the time of award	FAR 4.803(a)1 requires the contract file to include the purchase request and DFARS Procedures, Guidance, and Information (PGI) 211.7001(e) requires the purchase request be signed by a certified approving official.	6 of 10
Quality Assurance Surveillance Plan (QASP)	Plan to assess contractor performance	FAR 46.401(a) & (f); FAR46.407; and DFARS 246.202-4 require a QASP to include performance standards, surveillance methods and frequency, and procedures for documenting surveillance and noncompliance.	4 of 10
Independent Government Cost Estimate (IGCE)	Certified independent cost estimate for successful performance of a contract	AFARS 5107.9002(3) requires an IGCE signed by the preparer or preparer's immediate supervisor for services, construction, and noncommercial supplies above the Simplified Acquisition Threshold.	2 of 10
Vendor Vetting	Evidence vendor met security requirements	FAR 4.1103(a) requires that contracting officers verify vendors are registered in the Federal System for Award Management at the time an offer or quotation is submitted.	1 of 10

Table 5. Detailed Results of ACC-A Contract Award Review (cont'd)

Control Document or Activity	Purpose	Requirement	Incomplete, Not Final, or Missing <sup>1</sup>
Performance Work Statement or Statement of Work	Description of work and measureable performance standards	FAR 37.601(b)1 requires a PWS for service contracts that provides a detailed, performance oriented description of contract performance requirements. FAR 16.504(a)(4)(iii) requires solicitations for task order or delivery order contracts to include a statement of work describing the general scope, nature, complexity, and purpose of the supplies or services.	0 of 10
Afghan First Initiative Contract Source Selection	Justification for limiting competition to Afghan vendors	DFARS 225.7703 provides DoD contractors with enhanced authority to acquired products or services from Afghanistan using procedures other than full and open competition. Under this section, contracting activities must determine a number of factors designed to ensure 1) the procurement of goods and services this way will not adversely affect operations in Afghanistan or the U.S. industrial base and 2) that the procurement is necessary to provide a stable source of jobs in Afghanistan.	2 of 5

<sup>1</sup> Not all contracts we reviewed were required to have all types of control activities or documents based on the type or terms of the contract. Therefore, the numbers in the table reflect the number of contracts with incomplete, not final, or missing documentation out of the total number of contracts that were required to have such activities or documentation.

In addition to contract award, our review of the 15 contracts we selected that were administered by the ACC-A found that ACC-A contracting officials did not conduct contract administration and oversight in accordance with Federal regulations and ACC-A procedures. Specifically, officials did not administer contracts properly with respect to contract delegation, invoice review, nonconformance reporting and corrective action plan acceptance, tracking GFP, monthly surveillance of contractor performance, and contract closeout. Detailed results of our review are presented in Table 6.

Table 6. Detailed Results of ACC-A Contract Administration Review

Document or Activity	Purpose	Requirement	Incomplete, Not Final, or Missing <sup>1</sup>
Contract Documentation	Visibility into past contract action and performance	ACC and ACC-A procedures require key contract documents be catalogued in the contracting system of record, CORT Tool, Wide Area Workflow, Electronic Document Access, and/or the GFP module.	12 of 14 contracts were missing at least some of the required documents, such as monthly surveillance checklists, GFP lists, surveillance schedules, QASPs and Nonconformance Reports (NCR).
Monthly Status Reports	Documents overall monthly contractor performance rating	The ACC-A's SOPs required a high-level monthly status report on the overall contract status to document contractor performance.	2 of 14 contracts reviewed for monthly status reports were missing the reports. For one of these, ACC-A stated that this was because no COR had been appointed on the contract.
Contract Closeout	Ensures funds are de-obligated in a timely manner and Government property is transferred back to the Government.	FAR 4.804-1 requires that the officer administering the contract close out firm-fixed-price contracts within 6 months following the end of contract performance. FAR 4.804-5(c)1 requires that the contract closeout documentation be placed within the contract file.	4 of 7 contracts for which performance had ended prior to January 2019 were not closed out within the 6-month requirement.
Monthly Surveillance Checklists	Monthly performance report on specific contract requirements.	ACC-A SOPs require the use of monthly surveillance checklists that tie to specific performance requirements in the contract.	3 of 7 contracts reviewed for monthly surveillance checklists were missing all or some of the documents over a 3-month period reviewed.

Table 6. Detailed Results of ACC-A Contract Administration Review (cont'd)

Document or Activity	Purpose	Requirement	Incomplete, Not Final, or Missing <sup>1</sup>
Nonconformance Reports	Ensure contractors are responsive to areas of nonconformance and are addressing issues identified by the COR and contracting officer.	ACC-A SOPs requires that all Level II and Level III (moderate and serious) NCRs have an accepted corrective action plan (CAP) before being closed out.	4 of 5 contracts that had NCRs also had Level II reports that were closed, but where ACC-A's internal NCR tracker showed no evidence of CAP acceptance. In total there were 12 such Level II NCRs across the 4 contracts.
Delegation of Administration	Notification to delegated contract office of administration duties.	FAR 42.202 requires the contracting officer to delegate contract administration through either an interagency agreement or by request to the original contract administration office and notify the new contract administration office of the delegation, including a list of administration duties to be performed or withheld.	1 of 5 contracts that was not awarded by ACC-A but was listed in the contracting system of record as delegated to ACC-A contained no notification of delegation.
GFP and Contractor-Acquired Property Tracking	Tracking of property to be turned over to the Government following contract completion.	ACC-HQ best practices recommend that contractor-acquired property be entered onto a contract at least annually.	3 of 3 contracts that had associated contractor-acquired property showed no evidence that the property had been entered onto the contract.
Property Management Systems Analyses (PMSA)	Ensures contractor's recordkeeping systems meet necessary standards to accurately track Government property.	ACC procedures require an annual property management system analysis of all contractors that have Government-furnished or contractor-acquired property as part of one or more of their contracts.	1 of 3 contracts that had associated GFP or contractor-acquired property did not comply with the requirement to produce a PMSA annually.

<sup>1</sup> Not all contracts we reviewed were required to have all types of control activities or documents based on the type or terms of the contract. Therefore, the numbers in the table reflect the number of contracts with incomplete, not final, or missing documentation out of the total number of contracts that were required to have such activities or documentation.

## Management Comments

### Army Materiel Command



AMIR

DEPARTMENT OF THE ARMY  
HEADQUARTERS, U.S. ARMY MATERIEL COMMAND  
4400 MARTIN ROAD  
REDSTONE ARSENAL, AL 35898-5000

22 MAY 2020


MEMORANDUM FOR Department of Defense Inspector General [REDACTED]  
[REDACTED] Audit Readiness and Global Operations, 4800 Mark

SUBJECT: Command Comments on DoDIG Draft Report: Audit of Army Contracting Command – Afghanistan's Award and Administration of Contracts, Project D2019-D000RH-0082.000

1. The U.S. Army Materiel Command has reviewed and endorses the subject draft report. It supports the responses of the U.S. Army Contracting Command, but shares in the DODIG's concern that our contracting operations in Afghanistan may not be as effective as they should be. We are committed to working with the U.S. Army Contracting Command and U.S. Forces Afghanistan to discover the root causes for these deficiencies and correcting them. We appreciate the DODIG's efforts and welcome any further information you may be able to share that will help us improve our operations in Afghanistan.

2. The U.S. Army Materiel Command point of contact is [REDACTED]

2 Encls  
1. ACC Comments  
2. DoDIG Report

  
LISHA H. ADAMS  
Executive Deputy to the  
Commanding General

## Army Contracting Command



DEPARTMENT OF THE ARMY  
U.S. ARMY CONTRACTING COMMAND  
4505 MARTIN ROAD  
REDSTONE ARSENAL, AL 35898-5000

AMCC-IR

### MEMORANDUM FOR [REDACTED]

[REDACTED] Headquarters, U.S. Army Materiel Command, 4400 Martin Road, Redstone Arsenal, AL 35898

SUBJECT: Department of Defense Inspector General (DoDIG) Audit Draft Report  
Project No. D2019-D000RH-0082.000 (FOUO) Army Contracting Command-Afghanistan's Award and Administration of Contracts

1. Reference DoDIG Audit Draft Report (FOUO) "Army Contracting Command-Afghanistan's Award and Administration of Contracts," 8 April 2020 (Project No. D2019-D000RH-0082.000)
2. I nonconcur with recommendation 1. This recommendation should not be addressed to ACC. The theater, not ACC which is a force provider, develops the force structure applicable to ACC-A. Consequently, the theater would have to update the force structure associated with ACC-A requirements, submit it to the Joint Staff for validation & update it in the Secretary of Defense Operations Book.
3. After reviewing the input from the Commander, ACC-A, I non-concur with recommendations 2a and 2c; and concur with recommendation 2b. ACC-A currently has a written hiring process that has been in place since 2018 and was updated in January 2020. The establishment of a standard timeline is difficult because ACC-A employees have the option to leave the theater at anytime with little notice. Army Contracting Command provides staffing support during any gaps between the incoming and outgoing S1 personnel. All personnel in the 1102 series are qualified to perform contract specialist duties, or if warranted, contracting officer duties prior to selection. ACC-A requires all selectees to provide a copy of their Defense Acquisition Workforce Improvement Act certification once selected to deploy under the CADRE program.
4. The ACC point of contact for this memorandum is [REDACTED] Internal Review Audit and Compliance Office, at [REDACTED] or [REDACTED]

PAUL H. PARDEW  
Major General, USA  
Commanding General

Encl

**Final Report  
Reference**

**Revised  
Recommendation 1**



## Army Contracting Command (cont'd)

**Project:** D2019-D000RH-0082.000

**Audit Location:** Afghanistan

**Objective Designation:**

**Objective Title:** Army Contracting Command Afghanistan's Award and Administration of Contracts

**Objective:**

To determine whether the Army Contracting Command-Afghanistan awarded and administered contracts in accordance with applicable Federal regulations and Army Contracting Command procedures.

**Conclusion:**

The ACC-A did not award and administer any of the 15 contracts in our sample in accordance with applicable Federal regulations and ACC procedures. For example, the ACC-A did not:

- retain finalized purchase requests indicating the requiring activity had obligated the necessary funds to pay for the contract for 6 of 10 contracts awarded by the ACC-A;
- complete required documentation to justify the award of 2 of 5 contracts awarded under the Afghan First Initiative;
- follow ACC-A procedures for 4 of 5 contracts containing nonconformance reports (NCR)s, which required that corrective action plans be submitted and accepted before closing out the NCR; or
- track the status of Government property required to be turned over to the Government for 3 of 3 contracts that contained Government property.

In addition, we determined that ACC-A contracting officials did not have the required knowledge, training, or experience needed to award and administer contracts in accordance with regulations and procedures. We also found that ACC-A contracting officials could not always access the Army's contract award and administration systems to perform their duties, resulting in missed deadlines for mission-critical functions.

These conditions occurred because:

- the ACC-HQ had not implemented an organizational document, known as a force structure, for the ACC-A that detailed required staffing levels, positions, roles, and qualifications of ACC-A staff;
- the ACC-A used an improvised hiring and training process, including inconsistent hiring timelines, onboarding materials, and training to communicate procedural requirements to ACC-A contracting officials; and
- the ACC-A's operations in Afghanistan subjected contracting officials to unreliable network conditions, including extended periods of Internet outage, slow connection speeds, and limited technical support.

As a result, the ACC-A deployed contracting officials to Afghanistan with limited knowledge and experience of contingency contracting requirements and tasked them with using electronic recordkeeping and contract management systems that were not reliably accessible. Therefore, the ACC-A did not have reasonable assurance that it successfully mitigated contracting risks, such as nonperformance, improper payments, and mismanagement of Government property.

**Recommendation(s):**

**Recommendation 1.** We recommend that the Commanding General of the Army Contracting Command develop and implement a force structure or similar manpower authorization document for Army Contracting Command-Afghanistan.

## Army Contracting Command (cont'd)

### Final Report Reference

### Revised Recommendation 1

#### Action taken or planned:

Non-Concur. This recommendation should not be addressed to ACC. The theater, not ACC which is a force provider, develops the force structure applicable to ACC-A. Consequently, the theater would have to update the force structure associated with ACC-A requirements, submit it to the Joint Staff for validation & update it in the SDOB.

**Recommendation 2.** We recommend that the Commander of the Army Contracting Command–Afghanistan develop and implement a plan to improve the hiring process for civilian contracting personnel. The plan should include:

- a. Written hiring procedures that specify a timeline for the hiring process.

#### Action taken or planned:

Non-concur. ACC-A currently has a written hiring process that has been in place at least since 2018 and was updated January 2020. The process includes supervisor and managers responsibilities, Merit Systems Principals, Evaluations, Interviews, and Selections criteria; sample interview questions; sample resume scoring criteria; and a sample selection memorandum.

ACC-A attempts to fill vacant positions through the CADRE program first, the exception are the GS-14/15 billets as these are supervisory and the deployment pool has few supervisory personnel at the GS-14/15 level, as this is faster than USAJobs which takes approximately 5 to 6 months.

Establishing a standard timeline is difficult because there is no “guarantee” how long an ACC-A member will stay in theater. We currently have individuals commit to a one-year deployment; however, the member may curtail the assignment at any time. Under the CADRE program personnel members deploy at their current grade and often curtail for a position that provides a promotion, this is also true for “hires” because the USAJobs announcement is a temp/term position which means the individual returns to their prior grade and pay (plus normal step increase). One example we used to get in front of the hiring actions is that we program to run quarterly CADRE announcements and follow that announcement with a USAJobs announcement. During the announcement period we had an addition three members curtail and the selection list from CADRE and USAJobs we nearly identical. In addition, the USAJobs announcements is not germane to Afghanistan and personnel will decline to interview once we identify the position is in Afghanistan and/or because the position is a temp/term position.

The report also states: “Similarly, human resources personnel from the ACC-HQ and the 408th CSB stated that the hiring and training process for deployed positions could take up to 6 months from the date a position vacancy is announced until a new hire is ready to deploy.” This is a true statement as it relates to USAJobs announcements and because of the constant turnover the CADRE program is the preferred method (~90-days).

- b. Controls to ensure all contracting officials have the required qualifications for the positions they hold.

#### Action taken or planned:

## Army Contracting Command (cont'd)

Concur. Currently ACC-A requires all selectees to provide a copy of their DAWIA certification once the member is selected to deploy under the CADRE program. USAJobs already requires the DAWIA certification as part of the application process. In addition, all applicants follow the same hiring process outline in: Command Policy Memorandum #12 - Policy and Procedures for Civilian Personnel Hiring and Selection.

- c. Steps to ensure the duties of the S1 position are performed if the position is vacant and standard operating procedures to provide newly hired contracting officials with information on their specific roles and responsibilities prior to deployment.

**Action taken or planned:**

Non-concur: ACC provides S1 support during any gaps between the S1 leaving and the new S1 coming on-board. It is difficult to state that any one position will assume the S1 responsibilities. The staff, at the time of the S1 vacancy, selects the most qualified individual to provide oversight and coordinate with ACC-G1 for S1 responsibilities. However, a continuity file has been created (includes POCs at CPAC and ACC-G1) to assist with the S1 processes during periods of vacancy.

With regards to contracting officials. All contracting officials are qualified to perform all contracting specialists and/or contracting officer duties prior to selection. All personnel resumes are reviewed, the individual is interviewed, CADRE and USAJobs, and reference checks are conducted. Additionally, reference check are conducted for CADRE personnel because, all CADRE members deploy under their home station PD and are evaluated by the home station supervisor regarding performance. Also, the process for soliciting, awarding, and administering a contract in a deployed environment is the same basic process throughout ACC. Also, our internal review did not identify any CCAS member that did not attend the CCAS training.

Finally, the mission in Afghanistan is extremely fluid and as mentioned earlier personnel curtail their assignment unexpectedly. The fluidity and curtailments sometimes make us reprioritize what contracts a new person may inherit. This is done as a result of where a commander is willing to accept risk and to reduce overall mission risk.

## Deputy Assistant Secretary of the Army for Procurement



**DEPARTMENT OF THE ARMY**  
OFFICE OF THE ASSISTANT SECRETARY OF THE ARMY  
ACQUISITION LOGISTICS AND TECHNOLOGY  
103 ARMY PENTAGON  
WASHINGTON DC 20310-0103

SAAL-ZP

MEMORANDUM FOR DEPARTMENT OF DEFENSE INSPECTOR GENERAL  
(DoDIG), 4800 MARK CENTER DRIVE, ALEXANDRIA, VA 22350-1500

SUBJECT: DoDIG Draft Report: Audit of Army Contracting Command–  
Afghanistan's Award and Administration of Contracts Project No. D2019-D000RH-  
0082.000

1. On behalf of the Assistant Secretary of the Army (Acquisition, Logistics and Technology), the Office of the Deputy Assistant Secretary of the Army (Procurement) (ODASA(P)) reviewed the subject draft report and I am providing the official Army position on the subject report.

2. After reviewing the audit draft report, ODASA(P) concurs with recommendations 3a and 3b. Recommendations 1 and 2 will be addressed via subsequent addendum. The enclosure provides a detailed response to the report. The point of contact is [REDACTED]

COURTIS.JOHN.T. Digitally signed by  
COURTIS.JOHN.T.

.T.

Encl

John T. Courtis  
Procurement Insight/Oversight Director  
Office of the Deputy Assistant Secretary of the  
Army (Procurement)

## Deputy Assistant Secretary of the Army for Procurement (cont'd)

- 2 -

**OFFICE OF THE DEPUTY ASSISTANT SECRETARY OF THE ARMY  
(PROCUREMENT) (DASA(P)) RESPONSE**

**To**

**Department of Defense Inspector General Audit of Army Contracting Command–  
Afghanistan's Award and Administration of Contracts  
Project No. D2019-D000RH-0082.000**

**Recommendation 3.a-3.b: Recommend that the Deputy Assistant Secretary of the  
Army for Procurement develop and implement a written plan to:**

- a. Engage the Army Contracting Command–Headquarters in developing and testing the new Army Contract Writing System to ensure the new system provides contingency contracting personnel with the capabilities necessary to effectively award and administer contracts in a contingency environment, such as Afghanistan.
- b. Provide contracting officials access to the Army Contract Writing System in the field for testing before the system achieves full operational capability and for identifying any potential issues or challenges unique to the contingency operating environment, including the ability to operate the system effectively under unreliable network conditions.

**DASA(P) Response: Concur-** Overall ODASA(P) concurs with the recommendations 3a and 3b. It is the intent of both the ODASA(P) and the ACWS PdM to continue collaborating with ACC HQ throughout the design, development, and testing phases of the program. The ACWS PM has indicated that they will address our disconnected state requirements in the Full Deployment (FD) release, currently targeted for fielding in third quarter FY 2023. This release will provide contracting personnel with the capabilities necessary to effectively award and administer contracts in a contingency environment, such as Afghanistan.

The DASA(P) concurs with the suggestion that the ACWS PM actively solicit the assistance of Contract Specialists and Contracting Officers with experience supporting contingency and expeditionary contracting missions when testing current and future releases. The ODASA(P) will coordinate with ACWS PM and ACC HQ to incorporate current contingency contracting officials into the testing plan starting with the IOC deployments, expected FY 2021, and FD deployments, expected FY 2023. Additionally, we will request that the PM include appropriate time and activities within the schedule to conduct operational testing from locations OCONUS and in contingency and expeditionary environments.

As the ACWS PM fields initial releases of the software, they will continue to coordinate with ACC HQ and the appropriate network officials to refine overall bandwidth requirements and identify any potential issues or challenges typically experienced in the

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contingency operating environment. These findings, and recommended mitigation procedures will be included within the ACWS Deployment Plan. These findings, and recommended mitigation procedures will be included within the ACWS Deployment Plan.

### **ODASA(P) General Comments:**

There are a few areas within the report that should be clarified. Although ACWS will provide a single, consolidated, point-of-entry for many of the contract writing capabilities currently dispersed across multiple legacy systems, there will continue to be requirements to access external DoD-level support systems such as WAWF and EDA. System interfaces will allow data to automatically flow and report to these DoD and Federal systems; however users may still need to leverage these systems in support of specific contract administration tasks.

### **New Contracting System of Record Being Developed**

During the audit, ACC-A, ACC-HQ, and Deputy Assistant Secretary of the Army for Procurement officials stated that the Army was in the process of developing a new contract award and administration system, the Army Contract Writing System (ACWS). Specifically, they stated that the system would provide a single portal through which all pre- and post-award contract data will be stored and visible to contracting officers and CORs. This included information that is currently stored in the multiple electronic recordkeeping systems, including the contracting system of record, CORT tool, Electronic Document Access, Wide Area Workflow, and others.

According to information provided by officials from the Office of the Deputy Assistant Secretary of the Army for Procurement, the ACWS was scheduled to be fully operational in third quarter FY 2023. However, based on documents provided by those officials and interviews with ACC-HQ personnel, it was not clear whether the features of the new ACWS would provide ACC-A contracting officials with a solution for the connectivity and technical support issues that ACC-A officials identified and we observed as key hurdles to effective contract award and administration in contingency operating environments. Specifically, ACC-HQ officials stated that it would be helpful if the new ACWS had the ability to operate in a "disconnected state." Based on the descriptions provided by ACC-HQ officials, the audit team defined a disconnected state as one that still provided contracting officials with access to a version of the system where they could both retrieve and enter contract award and administration information on their local systems. Such a version could then synchronize with the main system once network access was restored.

However, ACC-HQ officials stated that their understanding of the ACWS as currently envisioned is that it would not have the systems necessary to fully address those hurdles in a contingency environment. Officials from the Office of the Deputy Assistant Secretary of the Army for Procurement stated that the system would feature the ability to operate in a disconnected or limited bandwidth state as well as "24/7" technical



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support, but also noted that deployment of the system to a contingency environment would not occur before the system was fully developed. As a result, the Army does not currently have plans to field test the new ACWS system in a contingency environment before the system achieves full operational capability. A lack of field testing may result in a system that does not provide contingency contracting officials with tools to address the connectivity issues they have experienced.

Therefore, the Deputy Assistant Secretary of the Army for Procurement should engage the ACC in developing and testing the new ACWS to ensure the new system provides contingency contracting personnel with the capabilities necessary to effectively award and administer contracts in a contingency environment, such as Afghanistan, including the opportunity for field testing.

## Acronyms and Abbreviations

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<b>ACC</b>	Army Contracting Command
<b>ACC-A</b>	Army Contracting Command–Afghanistan
<b>ACWS</b>	Army Contracting Writing System
<b>AFARS</b>	Army Federal Acquisition Regulation Supplement
<b>AMC</b>	Army Materiel Command
<b>CCAS</b>	Contingency Contract Administration Services
<b>COR</b>	Contracting Officer’s Representative
<b>CORT</b>	Contracting Officer’s Representative Tracking
<b>CSB</b>	Contracting Support Brigade
<b>DAWIA</b>	Defense Acquisition Workforce Improvement Act
<b>DFARS</b>	Defense Federal Acquisition Regulation Supplement
<b>FAR</b>	Federal Acquisition Regulation
<b>GFP</b>	Government Furnished Property
<b>IGCE</b>	Independent Government Cost Estimate
<b>LOGCAP</b>	Logistics Civil Augmentation Program
<b>MTOE</b>	Modified Table of Organization and Equipment
<b>NCR</b>	Nonconformance Report
<b>OCONUS</b>	Outside the Contiguous United States
<b>PMSA</b>	Property Management System Analysis
<b>QASP</b>	Quality Assurance Surveillance Plan
<b>RCC-A</b>	Regional Contracting Center–Afghanistan
<b>SOP</b>	Standard Operating Procedure
<b>TDA</b>	Table of Distribution and Allowances



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