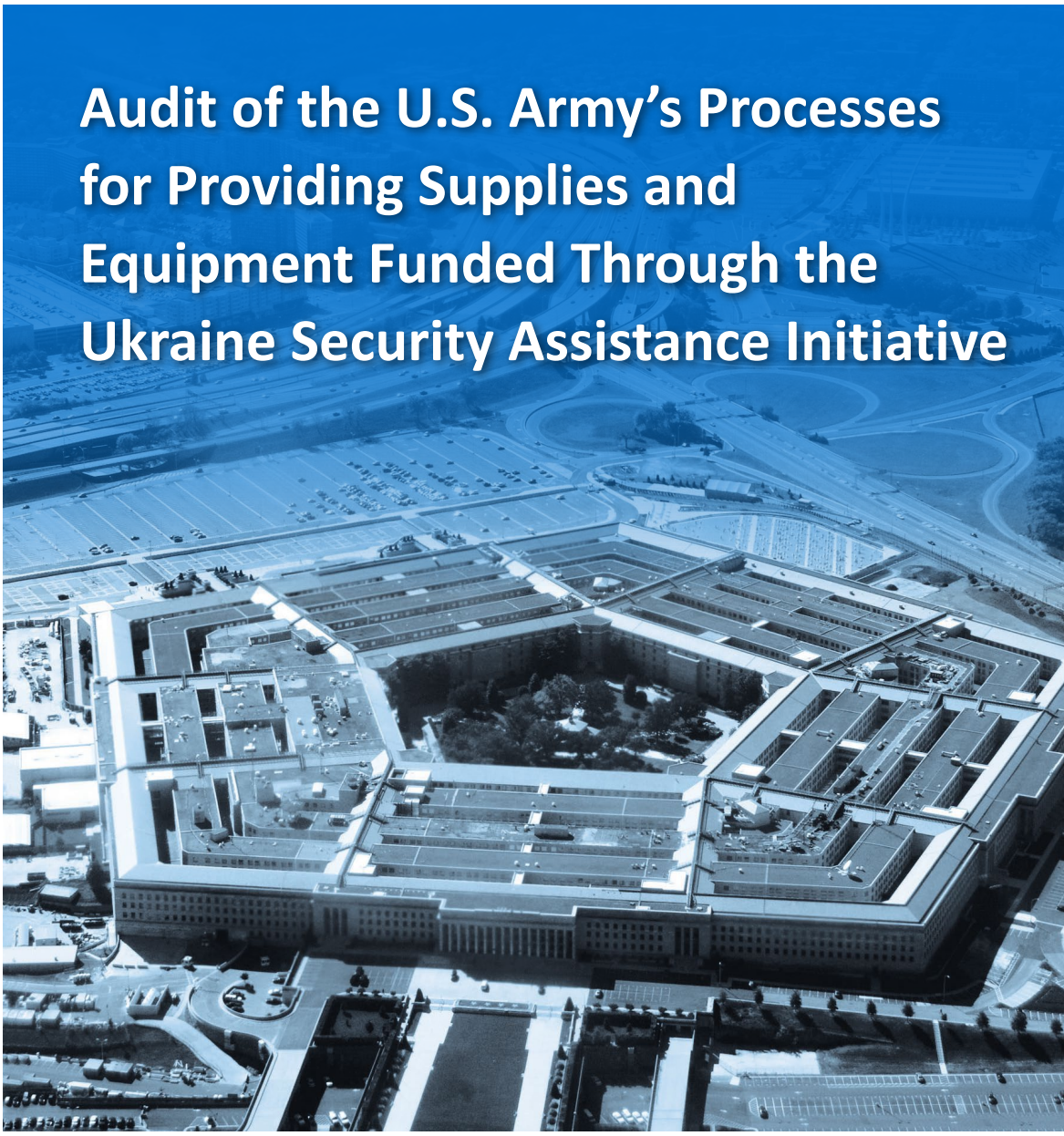
Report No. DODIG-2026-014

INSPECTOR GENERAL

U.S. Department of Defense

NOVEMBER 20, 2025

Audit of the U.S. Army's Processes for Providing Supplies and Equipment Funded Through the Ukraine Security Assistance Initiative



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INSPECTOR GENERAL
INTEGRITY
EFFICIENCY
DEPARTMENT OF DEFENSE

Results in Brief

Audit of the U.S. Army's Processes for Providing Supplies and Equipment Funded Through the Ukraine Security Assistance Initiative

November 20, 2025

Objective

The objective of this audit was to assess the effectiveness of the DoD's processes for ensuring the quality and timeliness of supplies and equipment provided to the Ukrainian Armed Forces (UAF) funded through the Ukraine Security Assistance Initiative (USAI). This is one in a series of two reports on this topic and relates to the U.S. Army's processes.

Background

In November 2015, Congress created the USAI to provide support, including training, equipment, logistics, supplies, and services, to the military and other security forces of the Government of Ukraine. From March 31, 2022, through September 26, 2024, the DoD provided $22.8 billion in security assistance to Ukraine under the USAI.

Finding

The Army and DoD established adequate procedures to ensure that supplies and equipment met required quality specifications and were received and accounted for before transfer to Ukraine for all seven USAI-funded contracts we reviewed, valued at $1.9 billion. However, the Army did not effectively procure ammunition for the UAF's use for five of the seven contracts we reviewed, valued at $1.6 billion.

The Army may have paid more than necessary for the ammunition acquired and did not ensure that contractors delivered ammunition in a timely manner. This occurred because the Army issued

Finding (cont'd)

delivery orders for ammunition against indefinite-delivery indefinite-quantity contracts that were not set up to supply the volume of ammunition needed by Ukraine, but were the option the Army believed would allow the DoD to meet Ukraine's needs quickly.

Additionally, Army personnel did not hold contractors accountable for missed delivery timelines because they did not include contractual remedies in three of the five contracts we reviewed, collect consideration as allowed by the other two contracts, or complete contractor performance assessments.

As a result, there were delays of up to 18 months in providing the UAF with needed supplies, and the Army paid $20.5 million more than the indefinite-delivery indefinite-quantity base contract price for some of the ammunition delivered to the UAF, resulting in potential waste. The Army also ordered $907 million in ammunition that has not yet been delivered and could put these funds to better use if it cancels those orders or finds alternative sources. The uncollected consideration for late ammunition deliveries totals $1.1 million, which could be put to better use if the Army pursues the contractual remedy available on two contracts to collect those funds. Finally, by not completing timely contractor performance assessments, the Army inhibited other contracting personnel from having information about the contractors' ability to deliver supplies in a timely manner.

Recommendations, Management Comments, and Our Response

We made eight recommendations related to improving processes to provide supplies and equipment in support of ongoing and future contingency operations and holding contractors accountable for negative performance. Management's proposed actions addressed five recommendations, and they are resolved and will remain open until we verify that management has implemented the corrective actions. However, management did not propose actions that would address the remaining three recommendations, and they are unresolved. We request that management provide comments in response to the final report to address the unresolved recommendations within 30 days.

Recommendations Table

Management	Recommendations Unresolved	Recommendations Resolved	Recommendations Closed
Commanding General, U.S. Army Contracting Command	1.a, 2.b	1.b, 1.c, 1.d, 1.e, 2.a	None
Product Lead, Special Ammunition and Weapons Systems	2.b, 3	2.a	None

Please provide Management Comments by December 22, 2025.

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** – The DoD OIG verified that the agreed-upon corrective actions were implemented.

OFFICE OF INSPECTOR GENERAL
DEPARTMENT OF DEFENSE
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November 20, 2025

MEMORANDUM FOR COMMANDER, U.S. EUROPEAN COMMAND
AUDITOR GENERAL, DEPARTMENT OF THE ARMY

SUBJECT: Audit of the U.S. Army's Processes for Providing Supplies and Equipment Funded Through the Ukraine Security Assistance Initiative (Report No. DODIG-2026-014)

This final report provides part of 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.

The Executive Director, Army Contracting Command–Rock Island, responding for the Commanding General, Army Contracting Command, and the Product Lead, Special Ammunition and Weapons Systems, proposed actions that satisfy the intent of five recommendations. Therefore, the recommendations are resolved but open. We will close the recommendations when the Commanding General, Army Contracting Command, provides us documentation showing that all agreed-upon actions to implement the recommendations are completed. Within 90 days, please provide a response concerning specific actions in process or completed on the recommendations. Send your response to either [redacted] if unclassified or [redacted] if classified SECRET.

The Executive Director did not propose actions that would address the other three recommendations. Therefore, they are unresolved. We will track the recommendations until management has agreed to take actions that we determine to be sufficient to meet the intent of the recommendations and management officials submit adequate documentation showing that all agreed-upon actions are completed.

DoD Instruction 7650.03 requires that recommendations be resolved promptly. Therefore, within 30 days, please provide a response concerning specific actions in process or alternative corrective actions proposed on the recommendations. Send your response to either [redacted] if unclassified or [redacted] if classified SECRET.

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

Carmen J. Malone
Assistant Inspector General for Audit
Acquisition, Contracting, and Sustainment

Contents

Introduction

Objective

The objective of this audit was to assess the effectiveness of the DoD's processes for ensuring the quality and timeliness of supplies and equipment provided to the Ukrainian Armed Forces (UAF) funded through the Ukraine Security Assistance Initiative (USAI). This report is one in a series of two reports on this topic and relates to the U.S. Army's processes.[1] See Appendix A for our scope and methodology and a summary of prior audit coverage.

Background

On March 16, 2022, the President announced that the United States would dramatically increase the amount and types of defense items provided to Ukraine. As of November 20, 2024, the United States had provided approximately $60.7 billion in military assistance since Russia launched its full-scale invasion of Ukraine on February 24, 2022.

The United States has provided this assistance through various programs and authorities, including security assistance under the USAI. Specifically, from March 31, 2022, through September 26, 2024, the DoD provided $22.8 billion in security assistance to Ukraine under the USAI.

Ukraine Security Assistance Initiative

In November 2015, Congress created the USAI to provide security assistance and intelligence support, including training, equipment, and logistics support, and supplies and services, to military and other security forces of the Government of Ukraine. The purpose of the USAI is to enhance Ukraine's defense capabilities.

By using the USAI, the Secretary of Defense, in coordination with the Secretary of State, can procure capabilities from industry rather than delivering equipment that is drawn down from DoD stocks.

Army Contracting Command

Headquartered at Redstone Arsenal in Alabama, the Army Contracting Command (ACC) is the Army's principal buying agent and supports Army readiness and modernization by providing contracting support. In support of the Army and joint forces, the ACC

[1] We initially intended to issue a series of three reports addressing the Army's, Air Force's, and Navy's processes. We issued Report No. DODIG-2025-162, "Audit of the U.S. Air Force's Processes for Providing Supplies and Equipment Funded Through the Ukraine Security Assistance Initiative," on September 18, 2025. However, we conducted a preliminary review of the Navy's processes, which did not indicate any significant deficiencies, and determined that conducting further review of the Navy would not be an effective use of the DoD OIG's resources. Therefore, we will not issue a third report addressing the Navy's processes.

provides contracting service across the full spectrum of military operations for Army Service Component Commanders, as well as other defense organizations at locations outside the continental United States.

Product Lead Special Ammunition and Weapons Systems

The Product Lead Special Ammunition and Weapons Systems (PdL SAWS) organization is responsible for the procurement of all non-standard ammunition for the Army and in support of all government agencies.[2] The Product Lead oversees the acquisition of more than 400 munitions and mortar weapons, including small, medium, and large caliber ammunition; rocket-propelled grenades; hand grenades; aviation rockets; flares; and anti-tank guided missiles. These items are provided to various customers, including the DoD, other U.S. Government agencies, and U.S. coalition partners throughout the world.

Defense Contract Management Agency

The Defense Contract Management Agency is responsible for ensuring the integrity of contractual processes and providing a broad range of contract-procurement management services. After contract award, the Defense Contract Management Agency monitors contractor performance and management systems to ensure that cost, product performance, and delivery schedules comply with the contract's terms and conditions.

USAI Contract Sample Selection

We selected a nonstatistical sample of seven Army contracts, valued at $1.9 billion, which represents 29.6 percent of the total value of Army USAI awards as of April 18, 2024. See Table 1 for a summary of the sample contracts selected for review.

[2] According to the Army Federal Acquisition Regulation Supplement, Appendix EE, "Department of the Army Government Purchase Card Operating Procedures," Chapter 16, "Ammunition and Weapons," Section 16-5, "Explosives, Toxins, and Ammunition Definitions," non-standard ammunition means munitions that have not been safety tested and type classified for Army use and munitions and explosives that are not managed by National Inventory Control Points, do not have a national stock number, and cannot be procured or requisitioned through the Army supply system.

Table 1. Army USAI-Funded Contracts Reviewed (in Millions)

Contract Number	Item Supplied	Value
1	Tactical and Combat Vehicles[1]	$118.4
2	Radios and Secure Communications Equipment	189.7
3	Ammunition	402.0
4	Ammunition	431.0[2]
5	Ammunition	273.3
6	Ammunition	232.4
7	Ammunition	224.0
Total		**$1,870.8**

[1] The contract the Army awarded to supply tactical and combat vehicles to the UAF also included ammunition. Specifically, the Army awarded the contract with an overall value of $118.4 million, $39.5 million of which was for ammunition, and the remaining $78.9 million was for tactical and combat vehicles.

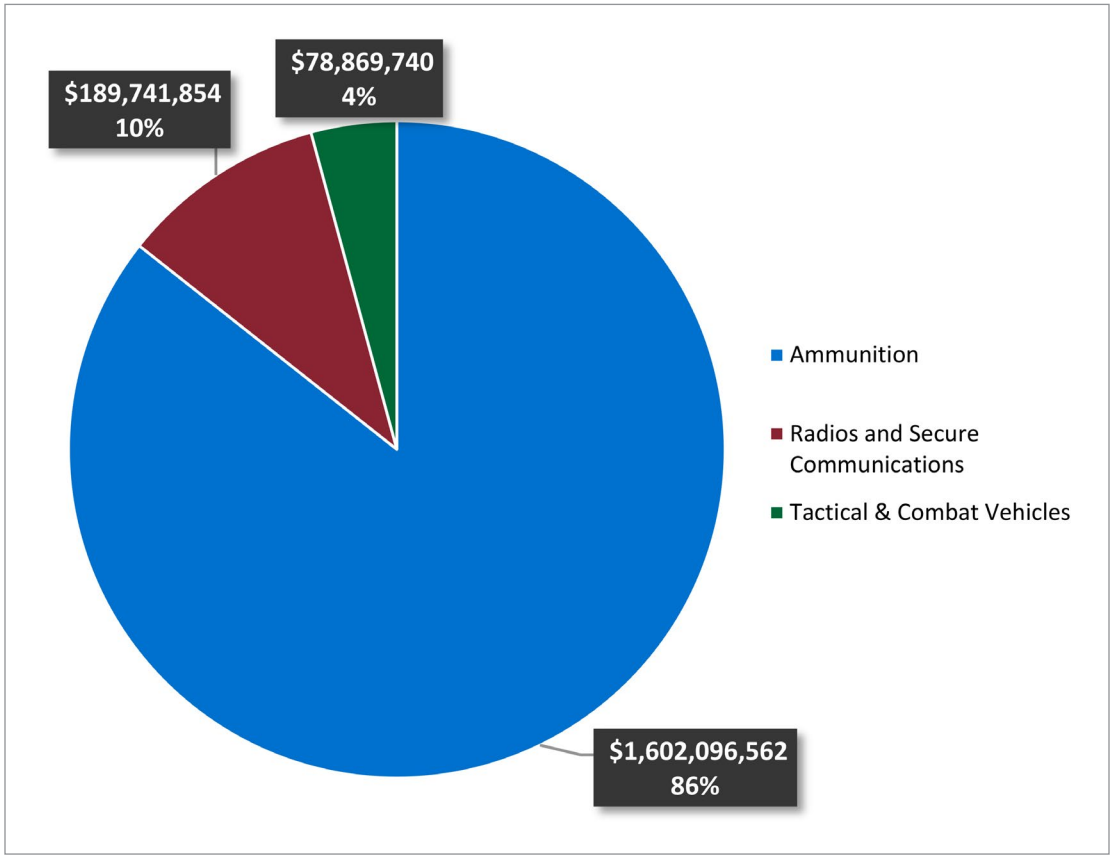
[2] According to Army personnel, as of June 13, 2025, the Army plans to cancel a portion of contract number 4, valued at $91.2 million. Once the Army cancels this order, the total value of USAI funding associated with the contract will be reduced to $339.8 million.

Source: The DoD OIG.

The Army awarded the contract to supply tactical and combat vehicles specifically to support Ukraine after the war with Russia began. However, while the Army awarded the delivery orders to supply Ukraine with radios and secure communications equipment and ammunition after the war began, the Army awarded the base indefinite-delivery indefinite-quantity (IDIQ) contracts associated with those delivery orders before the war.[3] Therefore, the Army may not have designed the IDIQ contracts to procure the volume of supplies and equipment necessary to meet Ukraine's needs. See Figure 1 for a summary of the value of the Army sample contracts by supply and equipment category. In addition, see Appendix A for our scope and methodology and sample selection procedures.

[3] Throughout the report, we use the terms "contract" and "delivery order" interchangeably to refer to delivery orders awarded under indefinite-delivery indefinite-quantity base contracts.

Figure 1. Distribution of the $1.9 Billion in Army Sample Contracts by Supply and Equipment Category



Source: The DoD OIG.

Federal and DoD Oversight Guidance

The Federal Acquisition Regulation (FAR) and the Defense Federal Acquisition Supplement (DFARS) are the primary Federal and DoD guidance for ensuring the purchase of quality and timely supplies and equipment. The FAR states that the contracting officer is responsible for ensuring performance of all necessary actions for effective contracting, compliance with the terms of the contract, and safeguarding the interests of the United States in its contractual relationships.[4]

The FAR requires agencies to ensure that supplies and services acquired under Government contracts conform to the contract's quality and quantity requirements and include inspection, acceptance, and other measures associated with quality requirements.[5] The type and extent of contract quality requirements needed depends on the particular acquisition and may range from inspection

[4] FAR Part 1, "Federal Acquisition Regulations System," Subpart 1.6, "Career Development, Contracting Authority, and Responsibilities," Section 1.602, "Contracting Officers," Subsection 1.602-2, "Responsibilities."

[5] FAR Part 46, "Quality Assurance."

at time of acceptance to a requirement for the contractor's implementation of a comprehensive program for controlling quality. Overall, contract quality requirements fall into four general categories. Table 2 provides an overview of each category.

Table 2. Contract Quality Requirement Categories

Types of Contract Quality Requirements	Summary
Contracts for commercial products and commercial services.	When acquiring commercial products, the Government must rely on contractors' existing quality assurance systems as a substitute for Government inspection and testing.
Government reliance on inspection by contractor.	For supplies or services acquired at or below the simplified acquisition threshold ($250,000), the Government must rely on the contractor to accomplish all inspection and testing needed to ensure that the supplies or services conform to contract quality requirements.
Standard inspection requirements.	Standard inspection requirements require the contractor to provide and maintain an inspection system that is acceptable to the Government; gives the Government the right to inspect and test while work is in progress; and requires the contractor to keep complete, and make available to the Government, records of its inspection work.
Higher-level contract quality requirements.	Higher-level quality requirements are necessary in solicitations and contracts for complex or critical items or when the technical requirements of the contract require control of such things as design, work operations, and testing; or attention to such factors as organization, planning, and documentation control.

Source: The DoD OIG.

The FAR also states that contracting officers must ensure that delivery or performance schedules are realistic and meet the requirements of the acquisition.[6] Contract delivery or performance schedules may be expressed in terms of specific:

- calendar dates;
- periods from the date of the contract, such as from the date of award or acceptance by the Government;
- periods from the date of receipt by the contractor of the notice of award or acceptance by the government; or
- time for delivery after receipt by the contractor of each individual order issued under the contract.

[6] FAR Part 11, "Describing Agency Needs," Subpart 11.4, "Delivery or Performance Schedules," Section 11.401, "General."

The DoD Contracting Officer's Representatives Guidebook states that the contracting officer's representative must routinely monitor the contractor's performance throughout the contract, including timeliness and delivery.[7] Within this assessment, the Guidebook states that the contracting officer's representative should determine whether the contractor is on schedule to meet the contractual delivery requirements, and whether there is an award for early deliveries, or a penalty for late deliveries.

[7] "DoD Contracting Officer's Representatives Guidebook," October 2022.

Finding

Army Personnel Ensured Supply and Equipment Quality but Did Not Ensure That Contractors Met Agreed-Upon Delivery Timelines

The Army and DoD established adequate procedures to ensure that supplies and equipment met required quality specifications and were received and accounted for before transfer to Ukraine for all seven USAI-funded contracts we reviewed, valued at $1.9 billion. The Army also effectively provided supplies and equipment to the UAF for two of the seven USAI-funded contracts we reviewed, valued at $308 million. However, the Army did not effectively procure ammunition for the UAF's use for five contracts we reviewed, valued at $1.6 billion.

The Army may have paid more than necessary for the ammunition acquired. This occurred because the Army issued delivery orders for ammunition against IDIQ contracts that were developed before the war between Ukraine and Russia began, and the IDIQ contracts were not set up to supply the volume of ammunition needed to support Ukraine.[8]

Army personnel did not ensure that contractors delivered ammunition in a timely manner. According to Army personnel, the contractors missed contractual delivery timelines because the increased demand for ammunition was not anticipated at the time the Army awarded the base IDIQ contracts and supplier issues may have contributed to the delays.

Additionally, Army personnel did not hold contractors accountable for missed delivery timelines. This occurred because contracting personnel did not:

- include contractual remedies in three of the five contracts we reviewed,[9]
- collect consideration as allowed by the other two contracts, or
- complete contractor performance assessments.

Starting in January 2024, Army personnel incorporated language into their existing contracts and all future contracts to encourage contractors to establish more achievable delivery timelines. The language also defined contractual

[8] There are three types of indefinite-delivery contracts: (1) definite-quantity contracts, (2) requirements contracts, and (3) indefinite-quantity contracts. The appropriate type of indefinite-delivery contract may be used to acquire supplies and services when the exact times or exact quantities of future deliveries are not known at the time of contract award.

[9] Contractual remedies are contract terms that require the contractor to compensate the DoD when the contractor does not comply with certain contract conditions, in this instance, delivery timelines. This compensation is known as consideration.

remedies for missed deliveries. According to Army contracting personnel, as of March 3, 2025, they had begun processing modifications to receive compensation for late deliveries.

As a result of the Army's ineffective ammunition procurement, the UAF experienced delays of up to 18 months in receiving needed supplies. The Army paid $20.5 million more than the IDIQ base contract price for some of the ammunition delivered to the UAF, resulting in potential waste. The Army also ordered $907 million in ammunition that has not yet been delivered. If the Army cancels those orders or finds alternative sources, it could put to better use up to $907 million. The uncollected consideration for late ammunition deliveries totals $1.1 million, which could be put to better use if the Army pursues the contractual remedy available on two contracts to collect those funds.[10] Finally, by not completing timely contractor performance assessments, the Army inhibited other contracting personnel from having information about the contractors' ability to deliver supplies in a timely manner; reviewing a contractor's past performance is a required step in the contract award process.[11]

Army Personnel's Processes for Providing Supplies and Equipment to Ukraine Need Improvement

Army personnel ensured that contractors complied with quality control requirements and managed the transfer of supplies and equipment to Ukraine for all contracts reviewed.

Army personnel performed adequate oversight to ensure that contractors complied with contract quality control requirements and properly managed the transfer of supplies and equipment to Ukraine for all seven USAI-funded contracts we reviewed, valued at $1.9 billion.[12] However, the Army's processes for procuring ammunition and ensuring contractors met contractual delivery timelines were not always effective.

Army Personnel Ensured the Quality of Equipment and Supplies

Specifically, Army personnel ensured that the contractors implemented all quality control requirements, conducted required inspections, and submitted required deliverables addressing quality control activities as required by the

[10] See Appendix B for details on potential monetary benefits.

[11] FAR Part 9, "Contractor Qualifications," Subpart 9.1, "Responsible Prospective Contractors," Section 9.104, "Standards," Subsection 9.104-6, "Federal Awardee Performance and Integrity Information System."

[12] For six of the seven contracts reviewed, Army personnel oversaw the contractor's quality control activities; however, the Defense Contract Management Agency conducted this oversight for one contract.

contracts. In addition, Army personnel monitored the contractors' quality control activities and conducted independent inspections, as required, in accordance with established oversight procedures and applicable Federal and DoD policies.

Army personnel ensured that contractors provided the results of required inspections and tests. Furthermore, Army personnel obtained status reports, such as delivery status updates and meeting minutes, in accordance with the contract requirements. For example, for the ammunition contracts we reviewed, Army personnel ensured that the contractor performed lot acceptance testing for all ammunition procured, which included live-fire testing of randomly selected samples to ensure the safety and function of ammunition in a specific production lot. Army personnel also reviewed and approved the technical specifications of the ammunition before lot acceptance testing and performed visual inspections, which included reviewing the packaging, marking, and preservation of the ammunition and occurred both before and after shipment to the contractually required destination.

Procedures for Transferring Supplies and Equipment to Ukraine Were Effective

During site visits to Coleman Worksite, Germany, and Jasionka and Rzeszów, Poland, DoD officials and applicable support personnel provided overviews of the processes used to receive, account for, and transfer supplies and equipment to Ukraine. At each site, the Army established local policies and procedures for each mode of transportation used to deliver supplies and equipment to the forward destinations, including air, rail, and ground.

Consistent across all modes of transportation and receiving locations, when shipments arrived, DoD and support personnel inventoried and accounted for all items. Depending on the receiving location and type of supplies, personnel then installed items on vehicles that would later be transferred to Ukraine, repackaged items for transfer to other locations, or sorted the items by priority based on Ukraine's needs for subsequent loading onto Ukraine-bound rail cars or trucks.[13] Additionally, Army personnel generated the necessary customs clearance forms to accompany the shipments and collect evidence of receipt by Ukraine. The Army retained relevant transportation and tracking information.

[13] For shipments arriving at Coleman Worksite, Germany, Army personnel either install the items on vehicles bound for Ukraine at a later date or repackage the items for transfer to other locations, including Ukraine through the Polish Logistics Hub, which is a customs and equipment transfer area controlled by Polish soldiers, primarily used to process inbound and outbound ground shipments of supplies and equipment for transfer to Ukraine.

When shipments arrived at the Ukraine border, a Ukrainian representative stamped the accompanying customs clearance forms, indicating receipt of the supplies and equipment. Through review of the customs clearance forms, we confirmed that the supplies and equipment procured under six of the seven Army contracts we reviewed were transferred to Ukraine in accordance with applicable local policies and procedures.[14]

Army Personnel Did Not Effectively Procure Ammunition for the UAF

While the Army effectively provided vehicles and communication equipment to the UAF for two of the seven USAI-funded contracts we reviewed, valued at $308 million, the Army's processes for procuring ammunition for the UAF's use were not effective. Specifically, for the five ammunition contracts we reviewed, valued at $1.6 billion, the Army may have paid more than necessary for the ammunition acquired. In addition, Army personnel did not ensure that contractors met the required delivery timelines or hold contractors accountable for missed deliveries.

The Army May Have Overpaid for Ammunition Procured for the UAF's Use

The Army did not realize the monetary benefits of awarding delivery orders against firm-fixed-price contracts for the ammunition procured for the UAF's use and may have paid more than necessary for the ammunition. Army personnel acquired ammunition for Ukraine by issuing delivery orders against two 5-year, firm-fixed-price IDIQ contracts, which were awarded in January 2022, 1 month before Russia invaded Ukraine. Because the Army developed the IDIQ contracts before the war between Ukraine and Russia began, the IDIQ contracts were not designed to supply the volume of ammunition needed to support Ukraine.

The Army did not realize the monetary benefits of using firm-fixed-price contracts to procure ammunition for Ukraine and may have paid more than necessary.

Each IDIQ contract included a pricing matrix with a list of possible ammunition requirements, estimated minimum and maximum order quantities, and not-to-exceed prices. According to the IDIQ contracts, the contractor was not obligated to honor any order for an item in excess of the quantities included in the pricing matrix. When issuing the delivery orders to supply ammunition to the UAF, the Army

[14] For one of the seven contracts we reviewed, the contractor did not deliver any supplies during our audit. Therefore, reviewing customs clearance forms to determine whether the supplies were transferred to Ukraine in accordance with local policies and procedures was not applicable.

exceeded the maximum order quantities for the ordering periods by as much as 3,120 percent.[15] In addition, the Army did not enforce the firm-fixed prices up to the maximum order quantities established by the IDIQ pricing matrix and paid as much as 245 percent more than those prices for the ammunition ordered. Table 3 shows the difference between the IDIQ maximum and actual order quantities and the pricing matrix prices and actual prices for each delivery order and contract line-item number (CLIN).

Table 3. Quantity and Price Differences Between Ammunition IDIQ Base Contracts and Delivery Orders

Item	Max Order Quantity	Contract Number	Actual Order Quantity	Quantity Increase (Percent)	IDIQ Pricing Matrix Price	Actual Price Range	Price Increase (Percent)
A	10,000	4	100,000	900	$984.82	$1,306.26 – 2,212.50	33 – 125
B	15,000	4	20,000	33	592.37	1,088.55	84
C	5,000	4	50,000	900	2,598.20	3,701.94 – 4,363	42 – 68
D	5,000	3	161,000	3,120	864.42	1,235.25 – 2.981.06	43 – 245
		5	91,250	1,725	907.54	2,874.34 – 2,884.58	217 – 218
		6	150,000	2,900	864.42	1,202.62 – 1,716.29	39 – 99
		7	30,000	500	892.94	2,396.20	168

Note: We limited our review to items the Army ordered and the contractors were required to deliver through November 30, 2024. Therefore, the table reflects information available as of that date.

Source: The DoD OIG.

According to the FAR, a firm-fixed-price contract provides for a price that is not subject to any adjustment on the basis of the contractor's cost experience in performing the contract.[16] Firm-fixed-price contracts place maximum risk and full responsibility for all costs and resulting profit or loss on the contractor, and provide maximum incentive for the contractor to control costs and perform

[15] The delivery orders for contracts 4, 5, and 7 were the first delivery orders we reviewed that were issued against the IDIQ contracts in the applicable ordering periods and included the applicable CLINs. Therefore, the pricing matrix prices should have applied to those delivery orders up to the IDIQ maximum order quantities for those ordering periods and items. For the delivery orders for contracts 3 and 6, the Army previously issued additional delivery orders within the applicable ordering periods that included the applicable CLINs; therefore, the pricing matrix prices were not applicable to the delivery orders we reviewed.

[16] FAR Part 16, "Types of Contracts," Subpart 16.2, "Fixed-Price Contracts," Section 16.202, "Firm-Fixed-Price Contracts," Subsection 16.202-1, "Description."

effectively, imposing a minimum administrative burden on contracting parties. In addition, the FAR states that an IDIQ contract provides for an indefinite quantity of supplies or services, within stated limits, during a fixed period.[17]

By not enforcing the prices for quantities up to the maximum order quantities established by the IDIQ pricing matrix, the Army paid $20.5 million more for the first 5,000 to 15,000 rounds of multiple types of ammunition ordered and delivered on two of the five delivery orders, resulting in potential waste. According to Army contracting personnel, when a customer requirement is received for a specific quantity, contracting personnel execute the entire requirement rather than portions of the requirement, and do not confirm that unit prices fall within an established IDIQ pricing matrix when the requirement exceeds the maximum order quantities. In addition, Army contracting personnel stated that the worldwide demand for ammunition and related materials led to increased prices.

Because the Army awarded the IDIQ contracts as firm-fixed-price, the prices in the IDIQ pricing matrix still should have applied to quantities ordered within the maximum order quantities. For example, for item A procured under contract number 4, the Army should have obtained 10,000 of the 100,000 rounds of ammunition for $984.82 per round. However, because the Army did not ensure that unit prices complied with established IDIQ pricing matrix prices when ordering more than the maximum order quantity, the Army paid at least $1,306.26 per round for all 100,000 rounds ordered, resulting in an additional $3.2 million paid for the initial 10,000 rounds of ammunition.

Furthermore, because of the changes in demand for ammunition and increased customer requirements, the Army should have considered whether it would have been more advantageous to the Government to order only the maximum order quantities under the existing IDIQ contracts and determine whether other contractors could fulfill the remaining requirement at a better value to the Government. Therefore, we recommend that the ACC Commanding General develop and implement guidance promoting the use of existing IDIQ contracts for new acquisition requirements up to the maximum quantities allowed. In instances in which new acquisition requirements exceed established maximum order quantities, the guidance should:

- direct contracting personnel to evaluate pricing before issuing new orders and determine whether it is advantageous to the Government to order under existing IDIQ contracts or pursue other procurement options to ensure that the Government receives the best value; and

[17] FAR Part 16, "Types of Contracts," Subpart 16.5, "Indefinite-Delivery Contracts," Section 16.504, "Indefinite-Quantity Contracts."

- include a requirement that contracting personnel enforce agreed-upon prices for quantities up to the maximum order quantities established by IDIQ contracts to the maximum extent possible.

The Army Did Not Ensure Timely Ammunition Deliveries

Army personnel did not ensure that the contractors delivered ammunition in a timely manner. According to Army personnel, the Russian invasion of Ukraine significantly increased the global demand for ammunition, and they acknowledged that the increased demand was not anticipated when they awarded the two 5-year IDIQ contracts. Army personnel also stated that the contractors may have missed contractually required delivery dates because of issues their suppliers experienced, including testing constraints and the inability to obtain export licenses. According to Army personnel, before awarding the delivery orders, they were aware of supplier constraints hindering the contractors' ability to deliver ammunition; however, they still executed the awards. Furthermore, Army personnel stated that the contracted delivery schedules for the delivery orders we reviewed may have been unrealistic.

In the initial delivery orders, the Army established the delivery schedules at the time of solicitation, and contractors were then required to meet the delivery dates. However, because of the ongoing supplier concerns in more recent delivery orders, the Army required contractors to establish the expected delivery schedule and submit the schedule as part of the proposal.[18]

Although the contractors started developing their own delivery schedules, late deliveries continued. For the five ammunition delivery orders, the contractors delivered the ammunition between 1 and 18 months late, and the contractors did not deliver the full contracted quantities. Specifically, among those five delivery orders, as of November 30, 2024, the number of outstanding rounds that were ordered but not yet delivered ranged from 295 to 133,412 on each contract.

For the five ammunition delivery orders, the contractors delivered the ammunition between 1 and 18 months late, and the contractors did not deliver the full contracted quantities.

[18] According to Army personnel, they required contractors to establish the expected delivery schedules on delivery orders solicited on or after January 3, 2024. Two of the delivery orders we reviewed were awarded on January 3, 2024; therefore, the contractors established the delivery schedules for those delivery orders.

At the time of our review, the contractors could not provide firm estimated delivery dates for the late items.[19] However, Army personnel stated that they and the contractors were working collectively to find a solution to fulfill the late ammunition deliveries. See Table 4 for a summary of late deliveries for the five delivery orders, including the number of months late and outstanding rounds.

Table 4. Range of Late Deliveries for Ammunition Contracts as of November 30, 2024

Contract Number	Months Late	Quantity Ordered	Quantity Delivered*	Quantity Outstanding
4	3-15	170,000	58,000	112,000
3	3-8	161,000	27,588	133,412
6	1-18	150,000	149,705	295
5	2-6	91,250	30,000	61,250
7	6	30,000	0	30,000
Total		**602,250**	**265,293**	**336,957**

* According to Army personnel, as of June 13, 2025, the contractors have delivered an additional 61,552 rounds for contract number 4; 51,772 rounds for contract number 3; 150,000 rounds for contract number 6, including the 295 rounds outstanding at the time of our review; 61,090 rounds for contract number 5; and 3,660 rounds for contract number 7.

Note: We limited our review to items the contractors were required to deliver through November 30, 2024. Therefore, the table reflects information available as of that date.

Source: The DoD OIG.

The FAR requires contracting officers to only award contracts to responsible prospective contractors.[20] To be determined responsible, a prospective contractor must be able to comply with the required or proposed delivery or performance schedule. Despite the increase in global demand for ammunition since the conflict between Ukraine and Russia began, Army personnel stated that the existing IDIQ contracts were the only option considered for the ammunition procurements because time was a key factor, and they believed that soliciting new contracts would extend the delivery timelines.

When the conflict between Ukraine and Russia began, the Army leveraged the existing IDIQ contracts to supply ammunition to Ukraine because time was a key factor and Army personnel believed that soliciting new procurements would cause delays in the DoD's ability to meet Ukraine's needs. We do not disagree that placing orders against existing IDIQ contracts in times of conflict to support urgent requirements can be a beneficial method of procuring needed items in a

[19] We limited the scope of this audit to quality control activities and supply and equipment deliveries that occurred up to November 30, 2024, to collect and analyze required data and documentation and develop the conclusions necessary to support this report.

[20] FAR Part 9, "Contractor Qualifications," Subpart 9.1, "Responsible Prospective Contractors."

timely manner. However, when existing IDIQ contracts are not designed to handle the increased volume of orders and contractors are not capable of making timely deliveries, the existing contracts may not be the most viable option. Because the Army was aware that the IDIQ contracts awarded before the war were not designed to supply the volume of ammunition ordered and many orders were significantly delayed, the Army should have taken action to evaluate whether continuing to order from the existing IDIQ contracts was the best option for procuring ammunition to meet Ukraine's needs. Therefore, we recommend that the PdL SAWS, in conjunction with the ACC Commanding General, evaluate whether the DoD still needs to provide the delayed ammunition to the UAF, and if so, determine whether the existing IDIQ contracts are still the most viable option to procure the ammunition or explore alternate options. If the DoD identifies a more viable alternative to procure the ammunition or determines that it does not need to provide the delayed ammunition to the UAF, we recommend that the PdL SAWS, in coordination with the ACC Commanding General, consider delivery order termination and pursue other procurement options, as necessary. Additionally, we recommend that the PdL SAWS develop lessons learned from using the ammunition IDIQ contracts to support the UAF and implement procedures to ensure timely supply and equipment deliveries during other ongoing and future contingency operations. The procedures should include steps for identifying when contractors cannot deliver supplies and equipment within the agreed-upon or reasonable time frames and for coordinating with Army contracting personnel to pursue alternate options to procure the necessary supplies and equipment in a timely manner.

As of November 30, 2024, a total of 336,957 rounds of ammunition remained outstanding because the contractors had delivered only 265,293 of the 602,250 rounds required. Based on the delivery order prices, those 336,957 rounds will cost the Government $907 million when delivered. If the Army implements our previous recommendation to evaluate whether the DoD still needs to provide ammunition to the UAF and, if so, considers alternate procurement options if the existing IDIQ contracts are no longer viable, the Army could potentially save a portion of those funds and put the funds to better use.[21] Therefore, we recommend that the PdL SAWS, in conjunction with the ACC Commanding General, report to the DoD OIG the total cost the Army avoided by completing the actions outlined in Recommendation 2.a for the $907 million in ammunition orders that have not yet been delivered.

[21] Until the Army pursues alternate procurement options for any ammunition still needed and the new quantity and pricing information becomes available for analysis, we are unable to quantify the potential savings.

Army Personnel Did Not Hold Contractors Accountable

The Army did not include provisions in three of the five ammunition delivery orders we reviewed to hold contractors accountable and adjust the contract price in instances in which the contractor did not deliver ammunition as required by the contract. However, because of the delays experienced, the Army began adding language to delivery orders awarded as of January 3, 2024, to collect consideration from contractors that miss delivery timelines.[22] Two of the ammunition delivery orders we reviewed were awarded on January 3, 2024, and included the language. Because Army personnel have taken action to include contractual remedies for missed deliveries in delivery orders awarded since January 2024, we are not making a recommendation on the consideration language.

Even though the Army began adding the consideration language to delivery orders awarded since January 2024, Army personnel did not apply consideration to the two delivery orders we reviewed that included the language. Specifically, for both delivery orders, the Army should have collected a total of $1.1 million in consideration during the scope of our review because the contractors delivered the required rounds more than 120 days after receiving the end user certificates.

According to Army contracting personnel, as of March 3, 2025, personnel were processing modifications to receive compensation for late deliveries; however, as of March 11, 2025, the Army did not process modifications for the delivery orders we reviewed. We recommend that the ACC Commanding General review all contracts that include the consideration language and determine whether the contractors delivered rounds late. In instances in which contracting personnel identify late deliveries, we recommend that the ACC Commanding General apply consideration in accordance with the contracts. Additionally, we recommend that the ACC Commanding General report to the DoD OIG the total consideration collected for late deliveries identified by completing the actions in Recommendation 1.b. Furthermore, we recommend that the ACC Commanding General collect the $1.1 million in consideration that should have been collected for late deliveries as of November 30, 2024.

The Army did not rate the contractors' performance as required.

In addition, the Army did not rate the contractors' performance as required.[23] According to the Guidance for the Contractor Performance Assessment Reporting System, contractor performance evaluations must be completed within 120 days following

[22] According to the contracts, the Army must base consideration on the number of rounds delivered late in accordance with the monthly delivery schedule, as calculated in accordance with the established formula, and assess consideration every 120 days after receiving the end user certificate or until the Government receives final deliveries.

[23] Guidance for the Contractor Performance Assessment Reporting System, July 2024.

the end of the performance period. Furthermore, according to ACC–Rock Island (ACC-RI) personnel, the Army planned to report on the contractors' efforts to deliver ammunition in accordance with contract requirements in each contractor's performance evaluation. However, for the five untimely ammunition delivery orders, contracting personnel did not complete contractor performance assessments for the first two performance periods, which ended on January 24, 2023, and January 24, 2024. Therefore, contracting personnel should have completed the first performance assessment by May 24, 2023, and the second by May 23, 2024. As of February 27, 2025, the contractors' performance related to their ability to deliver ammunition in accordance with contractual delivery schedules was not available for other contracting personnel to consider when evaluating the contractors' past performance for other potential contract awards.[24] We recommend that the ACC Commanding General prepare the outstanding contractor performance evaluations to adequately reflect the contractors' performance in the Contractor Performance Assessment Reporting System.

Conclusion

While the Army ensured that the UAF received supplies and equipment that conformed with contract quality specifications to support its continued defense against Russia, the Army did not effectively procure ammunition for the UAF's use and delayed providing the ammunition by up to 18 months. The Army also paid $20.5 million more than necessary for some of the ammunition delivered, resulting in potential waste, and ordered $907 million in ammunition that has not yet been delivered, a portion of which could be put to better use if the Army cancels those orders or finds alternative sources. The Army also did not collect $1.1 million in consideration for late deliveries, which could be put to better use if the Army pursues the available contractual remedies. Furthermore, the Army inhibited other contracting personnel from having information about the contractors' ability to deliver supplies in a timely manner by delaying required contractor performance assessments.

[24] In June 2025, and in response to the discussion draft version of this report, Army contracting personnel completed the contractor performance assessments for the first performance period, which ended on January 24, 2023. According to the Army, as of June 13, 2025, contracting personnel are still working to complete the contractor performance assessments for the second performance period, which ended on January 24, 2024.

Management Comments on the Finding and Our Response

In addition to comments on the recommendations, the ACC Commanding General and the ACC-RI Executive Director also provided comments on the finding. For the full text of the ACC's comments, see the Management Comments section of the report.

Army Contracting Command Comments

The ACC Commanding General disagreed with the finding, stating that we misunderstood the implementation of the SAWS IDIQ contracts. The Commanding General stated that we ignored pricing provisions within the IDIQ contracts that allowed for separate pricing for CLIN variants and quantities ordered in excess of the maximum levels established in the pricing matrix. The Commanding General also stated that the Army determined that prices were reasonable in these instances through delivery order competition, independent government cost estimates, and historical pricing data. The ACC-RI Executive Director added that CLIN variants do not fall under the quantities and prices established in the pricing matrixes and that the Army competed orders for CLIN variants among the IDIQ awardees to ensure prices were fair and reasonable. Furthermore, the Executive Director disagreed with the finding that the Army potentially wasted $20.5 million by paying more than the IDIQ pricing matrix prices because the Army awarded the delivery orders competitively to meet customer requirements.

The ACC Commanding General also stated that we misunderstood the IDIQs' scope. The Commanding General added that the IDIQ contracts place responsibility for broad solicitation on the prime contractors, rather than the Government, and that the Government selected the best options in terms of both price and schedule.

Finally, the ACC-RI Executive Director stated that the Government reserves the right to apply consideration to late deliveries even without including specific consideration language in contracts, and the Government must negotiate the value and consideration type applied.

Our Response

We do not disagree with the ACC's position that the IDIQ contracts allowed pricing to exceed the pricing matrix prices in exchange for expedited deliveries, quantities ordered in excess of the pricing matrix maximum quantities, or CLIN variants. However, when ordering CLIN variants, the Army assigned those items to existing CLINs on the IDIQ pricing matrix, which is a critical flaw in the Army's contracting process if the Army does not intend for CLIN variants to be considered

comparable to the existing CLINs in terms of price. By definition, a variant is a version of something that differs, usually slightly, in some respect from other forms of the same thing. Therefore, it is not unreasonable to expect that a variant may have a similar price. To avoid any inference that the CLIN variant prices could be comparable to the IDIQ pricing matrix prices, the Army should have established new CLINs for variants through contract modification. Because the Army ordered the CLIN variants against the existing CLINs, as discussed in the report, the Army should have enforced the IDIQ pricing matrix prices for quantities up to the IDIQ maximum order quantities of those CLINs and ensured the Government realized the pricing benefits of the fixed-price IDIQ contracts.

We maintain that the Army also should have considered whether it would have been more advantageous to the Government to order only the maximum order quantities under the existing IDIQ contracts and solicit other sources to determine whether the remaining quantities required could be fulfilled by other contractors at a better value to the Government. As a result, we maintain the validity of our finding that the Army potentially wasted $20.5 million by paying more than the established firm-fixed prices.

We do not disagree with the ACC's position that the Army used delivery order competition to determine price reasonableness; however, we found no evidence that the Army also considered independent government cost estimates and historical pricing data when awarding the delivery orders we reviewed. Additionally, we question the validity of using historical pricing data to determine fair and reasonable prices for CLIN variants when CLIN variants can be priced at up to 245 percent over the prices established by the IDIQ contracts.

We disagree with the ACC's position that we did not understand the IDIQ contracts' scope. We understand that the IDIQ contracts place responsibility for broad solicitation on the contractors. However, our position is that the acquisition environment changed since award of the IDIQ contracts. As mentioned in the report, the Army awarded the IDIQ contracts before the war and did not design the contracts to supply the volume of ammunition required, with some requirements exceeding the estimated maximum order quantities by up to 3,120 percent. In total, the Army awarded at least $2.6 billion in delivery orders under the two IDIQ contracts, more than three times the $750 million estimated total value of the acquisition at the time of award. Additionally, the IDIQ contracts required that all ammunition acquired be new production or new surplus.[25] However, under the delivery orders we reviewed, the Army procured ammunition with production dates as early as 1964. Furthermore, when awarding the two IDIQ base contracts,

[25] Based on the IDIQ contract award dates, new surplus ammunition was ammunition produced in 2018 or later.

the Army excluded offerors because they did not include pricing matrix prices for all of the 2,475 proposed firm-fixed-price CLINs, with one offeror excluded because it did not include prices for just two of the 2,475 CLINs. Finally, in November 2023, the ACC–New Jersey issued IDIQ contracts to four contractors on behalf of PdL SAWS for the same non-standard ammunition items procured under the existing IDIQ contracts issued by the ACC-RI.[26] Therefore, we maintain that other possible sources may have existed to fulfill the delivery order requirements resulting from the changed acquisition environment and the Army should have considered alternate procurement options.

We agree with the ACC's position that the Government reserves the right to apply consideration to late deliveries. As discussed in the report, Army personnel took action to include consideration language in delivery orders as of January 3, 2024. However, at the time we issued our report, the Army had not taken action to apply consideration for late deliveries under the contracts we reviewed. We maintain that the Army should have taken action to apply and collect at least $1.1 million in consideration for the late deliveries.

Recommendations, Management Comments, and Our Response

Recommendation 1

We recommend that the Commanding General, Army Contracting Command:

a. Develop and implement guidance promoting the use of existing indefinite-delivery indefinite-quantity contracts for new acquisition requirements up to the maximum quantities allowed. In instances in which new acquisition requirements exceed established maximum order quantities, the guidance should:

- **Direct contracting personnel to evaluate pricing before issuing new orders and determine whether it is advantageous to the Government to order under existing indefinite-delivery indefinite-quantity contracts or pursue other procurement options to ensure that the Government receives the best value.**
- **Include a requirement that contracting personnel enforce agreed-upon prices for quantities up to the maximum order quantities established by indefinite-delivery indefinite-quantity contracts to the maximum extent possible.**

[26] Two of the four contractors that received IDIQ contract awards from the ACC–New Jersey are the same contractors that received the IDIQ contract awards from the ACC-RI.

Commanding General, Army Contracting Command Comments

The ACC-RI Executive Director, responding for the ACC Commanding General, neither agreed nor disagreed with the recommendation. The Executive Director stated that the ACC will continue maximizing the use of IDIQ contracts to achieve best value, as its comprehensive review of current procurement practices found that best value analysis appropriately determines advantageous outcomes for the Government. The Executive Director added that the ACC's current use of multi-award IDIQ contracts is the optimal solution to address the mission's broad scope and the inherent uncertainty of future requirements and provides the benefits of flexibility, efficiency, and cost controls. The Executive Director also stated that the ACC consistently enforces agreed-upon prices up to maximum order quantities and evaluates competitive proposals to ensure price reasonableness for requirements outside of the maximum ranges. Finally, the Executive Director stated that the ACC's current practices effectively address the principles outlined in the recommendation, and the ACC routinely applies lessons learned to improve processes and maintains that before developing new guidance, all alternatives need to be considered to provide a more adaptive acquisition environment.

Although the recommendation was directed to the ACC Commanding General, the ACC-RI Executive Director responded for the Commanding General. However, the ACC Commanding General reviewed and endorsed the draft report and response from the ACC-RI Executive Director.

Our Response

Comments from the Executive Director did not address the recommendation; therefore, it is unresolved. The Executive Director did not address how the ACC would ensure contracting personnel more effectively used IDIQ contracts to ensure the Government receives the best value. While we agree that IDIQ contracts are an efficient procurement approach for uncertain requirements, as stated in the report, the Army awarded the IDIQ base contracts before the war and did not design them to procure the volume of supplies and equipment necessary to meet Ukraine's needs. Although the Executive Director stated that it is the Army's goal to achieve an adaptive acquisition environment, our report highlights that the Army's acquisition approach for ammunition was static as the requirements and acquisition environment changed drastically. Consequently, the Army did not realize the pricing benefits of the fixed-price IDIQ contracts and may not have ensured the Government received the best value. Therefore, we request that the ACC Commanding General reconsider their position and provide comments within 30 days of the final report describing how the ACC will ensure the Government receives the best value when using existing IDIQ contracts for future requirements.

Assistant Secretary of the Army (Acquisition, Logistics, and Technology) Comments

Although not required to comment, the Acting Deputy Assistant Secretary of the Army (Procurement), Office of the Assistant Secretary of the Army (Acquisition, Logistics, and Technology), reviewed and endorsed the draft report and responses from the ACC. For the full text of the ACC's comments, see the Management Comments section of the report.

Army Materiel Command Comments

Although not required to comment, the Executive Deputy to the Commanding General, Army Materiel Command, reviewed and endorsed the draft report and responses from the ACC.

b. Review all contracts that include the consideration language and determine whether the contractors delivered rounds late. In instances in which contracting personnel identify late deliveries, we recommend that the Commanding General, Army Contracting Command, apply consideration in accordance with the contracts.

Commanding General, Army Contracting Command Comments

The ACC-RI Executive Director, responding for the ACC Commanding General, neither agreed nor disagreed with the recommendation. The Executive Director stated that the consideration owed to the Government on delivery orders with delinquent rounds is continuously updated, and the ACC issues a formal notification to contractors every 90 days, explaining the consideration owed to the Government. According to the Executive Director, both contractors for the contracts we reviewed acknowledged the consideration owed in January 2025. The Executive Director added that the ACC continues to issue formal modifications to de-obligate the contracts to apply the consideration. The Executive Director further stated that the ACC continues to negotiate consideration resulting from contractor requests for equitable adjustment and Government orders to change delivery locations.

Although the recommendation was directed to the ACC Commanding General, the ACC-RI Executive Director responded for the Commanding General. However, the ACC Commanding General reviewed and endorsed the draft report and response from the ACC-RI Executive Director.

Our Response

Comments from the Executive Director addressed the specifics of the recommendation; therefore, it is resolved but will remain open. We will close this recommendation once the ACC provides documentation that supports that all delivery orders we reviewed have been completed or canceled and appropriate consideration was applied and collected.

Assistant Secretary of the Army (Acquisition, Logistics, and Technology) Comments

Although not required to comment, the Acting Deputy Assistant Secretary of the Army (Procurement), Office of the Assistant Secretary of the Army (Acquisition, Logistics, and Technology), reviewed and endorsed the draft report and responses from the ACC. For the full text of the ACC's comments, see the Management Comments section of the report.

Army Materiel Command Comments

Although not required to comment, the Executive Deputy to the Commanding General, Army Materiel Command, reviewed and endorsed the draft report and responses from the ACC.

c. Report to the DoD OIG the total consideration collected for late deliveries identified by completing the actions in Recommendation 1.b.

Commanding General, Army Contracting Command Comments

The ACC-RI Executive Director, responding for the ACC Commanding General, neither agreed nor disagreed with the recommendation. The Executive Director stated that, to date, the ACC has requested consideration in excess of $5 million for delinquent deliveries. The Executive Director added that the ACC will continue to hold contractors accountable to meet contractual delivery schedules or will pursue termination as appropriate.

Although the recommendation was directed to the ACC Commanding General, the ACC-RI Executive Director responded for the Commanding General. However, the ACC Commanding General reviewed and endorsed the draft report and response from the ACC-RI Executive Director.

Our Response

Comments from the Executive Director addressed the specifics of the recommendation; therefore, it is resolved but will remain open. We will close this recommendation once the ACC provides documentation that supports that all the delivery orders we reviewed have been completed or canceled and appropriate consideration was applied and collected.

Assistant Secretary of the Army (Acquisition, Logistics, and Technology) Comments

Although not required to comment, the Acting Deputy Assistant Secretary of the Army (Procurement), Office of the Assistant Secretary of the Army (Acquisition, Logistics, and Technology), reviewed and endorsed the draft report and responses from the ACC. For the full text of the ACC's comments, see the Management Comments section of the report.

Army Materiel Command Comments

Although not required to comment, the Executive Deputy to the Commanding General, Army Materiel Command, reviewed and endorsed the draft report and responses from the ACC.

d. Collect the $1.1 million in consideration that should have been collected for late deliveries as of November 30, 2024.

Commanding General, Army Contracting Command Comments

The ACC-RI Executive Director, responding for the ACC Commanding General, neither agreed nor disagreed with the recommendation. The Executive Director stated that the ACC continues to assess and negotiate the consideration owed to the Government for delinquent deliveries. The Executive Director added that upon reaching an agreement on pending requests for equitable adjustment and other actions, the ACC will de-obligate and return applicable funds to the U.S. Treasury.

Although the recommendation was directed to the ACC Commanding General, the ACC-RI Executive Director responded for the Commanding General. However, the ACC Commanding General reviewed and endorsed the draft report and response from the ACC-RI Executive Director.

Our Response

Comments from the Executive Director addressed the specifics of the recommendation; therefore, it is resolved but will remain open. We will close this recommendation once the ACC provides documentation that supports that it has finalized negotiations for consideration for the delivery orders we reviewed and returned applicable funding to the U.S. Treasury.

Assistant Secretary of the Army (Acquisition, Logistics, and Technology) Comments

Although not required to comment, the Acting Deputy Assistant Secretary of the Army (Procurement), Office of the Assistant Secretary of the Army (Acquisition, Logistics, and Technology), reviewed and endorsed the draft report and responses from the ACC. For the full text of the ACC's comments, see the Management Comments section of the report.

Army Materiel Command Comments

Although not required to comment, the Executive Deputy to the Commanding General, Army Materiel Command, reviewed and endorsed the draft report and responses from the ACC.

e. Prepare the outstanding contractor performance evaluations to adequately reflect the contractors' performance in the Contractor Performance Assessment Reporting System.

Commanding General, Army Contracting Command Comments

The ACC-RI Executive Director, responding for the ACC Commanding General, neither agreed nor disagreed with the recommendation. The Executive Director stated that the ACC completed the contractor performance assessments for the January 2022 to January 2023 rating period. The Executive Director added that the ACC has collected input for the January 2023 to January 2024 rating period, which includes information on the contractor schedule delays, and the ACC continues to consolidate the input for the January 2024 to January 2025 rating period. The Executive Director further stated that the ACC provides candid feedback to the contractors related to delivery status, challenges, and performance through ongoing interactions.

Although the recommendation was directed to the ACC Commanding General, the ACC-RI Executive Director responded for the Commanding General. However, the ACC Commanding General reviewed and endorsed the draft report and response from the ACC-RI Executive Director.

Our Response

Comments from the Executive Director addressed the specifics of the recommendation; therefore, it is resolved but will remain open. We will close this recommendation once the ACC provides documentation that supports that it completed the contractor performance assessments for the January 2023 to January 2024 and January 2024 to January 2025 rating periods that accurately reflect the contractors' performance, including an assessment of the delivery delays.

Assistant Secretary of the Army (Acquisition, Logistics, and Technology) Comments

Although not required to comment, the Acting Deputy Assistant Secretary of the Army (Procurement), Office of the Assistant Secretary of the Army (Acquisition, Logistics, and Technology), reviewed and endorsed the draft report and responses from the ACC. For the full text of the ACC's comments, see the Management Comments section of the report.

Army Materiel Command Comments

Although not required to comment, the Executive Deputy to the Commanding General, Army Materiel Command, reviewed and endorsed the draft report and responses from the ACC.

Recommendation 2

We recommend that the Product Lead, Special Ammunition and Weapons Systems, in conjunction with the Commanding General, Army Contracting Command:

a. Evaluate whether the DoD still needs to provide the delayed ammunition to the Ukrainian Armed Forces and, if so, determine whether the existing indefinite-delivery indefinite-quantity contracts are still the most viable option to procure the ammunition or explore alternate options. If the DoD identifies a more viable alternative to procure the ammunition or determines that it does not need to provide the delayed ammunition to the Ukrainian Armed Forces, we recommend that the Product Lead, Special Ammunition and Weapons Systems, in coordination with the Commanding General, Army Contracting Command, consider contract termination and pursue other procurement options, as necessary.

Commanding General, Army Contracting Command Comments

The ACC-RI Executive Director, responding for the PdL SAWS and the ACC Commanding General, neither agreed nor disagreed with the recommendation. The Executive Director stated that the ACC and the PdL SAWS routinely revalidate requirements with the customer, and that maintaining schedule remains a high

priority. The Executive Director added that a new procurement approach would be impractical because of the time it takes to award a new contract and because the funds can no longer be obligated since the period of availability has expired. The Executive Director further stated that the ACC and the PdL SAWS have decided to pursue contract termination or cancellation for certain delinquent and unneeded ammunition requirements, resulting in the deobligation and removal of nearly $100 million in funding.

Although the recommendation was directed to the PdL SAWS and the ACC Commanding General, the ACC-RI Executive Director responded for them. However, the ACC Commanding General reviewed and endorsed the draft report and response from the ACC-RI Executive Director.

Our Response

Comments from the Executive Director addressed the specifics of the recommendation; therefore, it is resolved but will remain open. We will close this recommendation once the ACC provides documentation that supports that it has terminated or canceled applicable contracts for delinquent and unneeded ammunition requirements and returned the associated funding to the U.S. Treasury.

Assistant Secretary of the Army (Acquisition, Logistics, and Technology) Comments

Although not required to comment, the Acting Deputy Assistant Secretary of the Army (Procurement), Office of the Assistant Secretary of the Army (Acquisition, Logistics, and Technology), reviewed and endorsed the draft report and responses from the ACC. For the full text of the ACC's comments, see the Management Comments section of the report.

Army Materiel Command Comments

Although not required to comment, the Executive Deputy to the Commanding General, Army Materiel Command, reviewed and endorsed the draft report and responses from the ACC.

b. Report to the DoD OIG the total cost the Army avoided by completing the actions outlined in Recommendation 2.a for the $907 million in ammunition orders that have not yet been delivered.

Commanding General, Army Contracting Command Comments

The ACC-RI Executive Director, responding for the PdL SAWS and the ACC Commanding General, neither agreed nor disagreed with the recommendation. The Executive Director stated that the ACC and the PdL SAWS have decided to

pursue contract termination for an ammunition order valued at nearly $100 million because of delinquent requirements and diminished or eliminated needs. The Executive Director also stated that the Army continuously engages with the customer and that the end user or their representatives would be responsible for decisions on canceling requirements. The Executive Director added that the customer has emphasized the importance of schedule and, given the current global demand, cancellation and re-award would further delay delivery and require new congressionally approved funding.

Although the recommendation was directed to the PdL SAWS and the ACC Commanding General, the ACC-RI Executive Director responded for them. However, the ACC Commanding General reviewed and endorsed the draft report and response from the ACC-RI Executive Director.

Our Response

Comments from the Executive Director partially addressed the recommendation; therefore, it is unresolved. While the Executive Director stated that the ACC and the PdL SAWS has decided to terminate ammunition orders valued at $100 million, the Executive Director did not explain how that amount relates to the ammunition orders we reviewed that had not yet been delivered and did not address the full amount in question. Therefore, we request that the ACC Commanding General provide comments within 30 days of the final report describing how the ACC and the PdL SAWS evaluated all requirements that made up the $907 million in ammunition orders that had not yet been delivered at the time of our review and specifics on the orders canceled. We also request that the ACC Commanding General provide documentation that supports the $100 million in terminated ammunition orders and that the funds have been returned to the U.S. Treasury.

Assistant Secretary of the Army (Acquisition, Logistics, and Technology) Comments

Although not required to comment, the Acting Deputy Assistant Secretary of the Army (Procurement), Office of the Assistant Secretary of the Army (Acquisition, Logistics, and Technology), reviewed and endorsed the draft report and responses from the ACC. For the full text of the ACC's comments, see the Management Comments section of the report.

Army Materiel Command Comments

Although not required to comment, the Executive Deputy to the Commanding General, Army Materiel Command, reviewed and endorsed the draft report and responses from the ACC.

Recommendation 3

We recommend that the Product Lead, Special Ammunition and Weapons Systems, develop lessons learned from using the ammunition indefinite-delivery indefinite-quantity contracts to support the Ukrainian Armed Forces and implement procedures to ensure timely supply and equipment deliveries during other ongoing and future contingency operations. The procedures should include steps for:

- **Identifying when contractors cannot deliver supplies and equipment within the agreed-upon or reasonable time frames.**
- **Coordinating with Army contracting personnel to pursue alternate options to procure the necessary supplies and equipment in a timely manner.**

Commanding General, Army Contracting Command Comments

The ACC-RI Executive Director, responding for the PdL SAWS, neither agreed nor disagreed with the recommendation. The Executive Director stated that the PdL SAWS routinely assesses past execution to identify opportunities to improve efficiency and effectiveness, citing incorporating consideration language to delivery orders and canceling nonperforming orders as examples of improvements. The Executive Director also stated that the Army awarded the IDIQ contracts through full and open competition and awarded an IDIQ contract to all contractors determined to be technically capable of performing. The Executive Director further stated that the IDIQ holders solicit suppliers worldwide and the PdL SAWS maintains engagement with the contractors and the supplying industry.

Although the recommendation was directed to the PdL SAWS, the ACC-RI Executive Director responded for the PdL SAWS. However, the ACC Commanding General reviewed and endorsed the draft report and response from the ACC-RI Executive Director.

Our Response

Comments from the Executive Director did not address the recommendation; therefore, it is unresolved. The Executive Director did not address how the Army planned to make improvements to ensure timely supply and equipment deliveries during ongoing and future contingency operations. The Executive Director cited meetings and program management reviews as ways to stay informed of the acquisitions and stated that the Army added consideration language to delivery orders improve efficiency and effectiveness. However, the meetings and program reviews have been ongoing since the Army awarded the IDIQ contracts and, according to the Executive Director, consideration language is not required

to hold contractors accountable. As shown by our report, these actions were not sufficient to prevent delays of up to 18 months in providing the Ukrainian Armed Forces with needed supplies and, to date, the Army has not provided any evidence that the Government has obtained consideration for these delays.

Additionally, we disagree with the Executive Director's statement that the Army awarded the IDIQ contracts to all contractors technically capable of performing under the IDIQ to solicit worldwide suppliers to fulfill the requirements. When awarding the two IDIQ contracts, the Army excluded offerors because they did not include pricing matrix prices for all 2,475 proposed firm-fixed-price CLINs. For example, the Army excluded one of these offerors because the offeror did not provide prices for just two of the 2,475 CLINs, even though the Army did not consider the list of items all-inclusive and allowed for variants. Therefore, we maintain that other possible sources may have existed to fulfill the delivery order requirements resulting from the changed acquisition environment and the Army may not have identified all procurement solutions. Consequentially, we request that the PdL SAWS reconsider their position and provide comments within 30 days of the final report describing how the ACC will use the lessons learned from the ammunition IDIQ contracts supporting the Ukraine conflict and make improvements to ensure timely supply and equipment deliveries during other ongoing and future contingency options.

Assistant Secretary of the Army (Acquisition, Logistics, and Technology) Comments

Although not required to comment, the Acting Deputy Assistant Secretary of the Army (Procurement), Office of the Assistant Secretary of the Army (Acquisition, Logistics, and Technology), reviewed and endorsed the draft report and responses from the ACC. For the full text of the ACC's comments, see the Management Comments section of the report.

Army Materiel Command Comments

Although not required to comment, the Executive Deputy to the Commanding General, Army Materiel Command, reviewed and endorsed the draft report and responses from the ACC.

Appendix A

Scope and Methodology

We conducted this performance audit from July 2024 through July 2025 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 obtained a universe of USAI contracts from the Office of the Under Secretary of Defense for Acquisition and Sustainment, which included 303 contracts, valued at $8.6 billion, awarded as of April 18, 2024. The DoD awarded these contracts to provide Ukraine a variety of items, such as ammunition, radios and communication equipment, tactical vehicles, unmanned aerial systems, small diameter bombs, and missiles. Of this amount, the Army awarded 201 of the contracts, valued at $6.3 billion; the Navy awarded 48 of the contracts, valued at $651 million; and the Air Force awarded 56 of the contracts, valued at $1.6 billion.

We nonstatistically selected 15 contracts, valued at $3.3 billion, based on highest dollar value.[27] To select the sample, we selected the highest dollar contracts from the highest dollar supply and equipment categories for each Military Service. In selecting the sample, we distributed the number of sample contracts selected for each Military Service based on the overall distribution of the USAI contract dollars. Therefore, we selected seven contracts awarded by the Army, three contracts awarded by the Navy, and five contracts awarded by the Air Force. Table 5 identifies the number and dollar value of the sample USAI contracts selected by Military Service.

[27] Although we focused on high-dollar contracts to select the sample, we excluded undefinitized contract actions and contracts for services, which resulted in some of the highest dollar contracts being excluded from the sample. Therefore, the sample does not include the top 15 high-dollar contracts from the data obtained from the Office of the Under Secretary of Defense for Acquisition and Sustainment.

Table 5. USAI Sample Contracts

Military Service	Number of Sample Contracts	Dollar Value of Sample Contracts (in Millions)
Army	7	$1,871
Navy	3	557
Air Force	5	853
Total	**15**	**$3,280**

Source: The DoD OIG.

Review of Documentation and Interviewing Army Personnel

For each contract, we obtained the contract and relevant modifications from the Electronic Document Access system and documentation prepared or maintained by relevant oversight personnel from the Army Paperless Contract File system and through requests for information submitted to Army and Defense Contract Management Agency personnel, as applicable. Additionally, we interviewed Army and Defense Contract Management Agency personnel, as applicable, to discuss their roles and responsibilities for each contract and identify their policies and procedures for ensuring that prime contractors provided quality and timely supplies and equipment to the UAF.

Procedures to Assess Contractor Compliance with Quality Control Requirements

We assessed whether the Army ensured that the contractor provided quality supplies and equipment to the UAF. Specifically, we reviewed the contracts and related documentation to identify the contractors' quality control requirements, including requirements for conducting inspections and submitting related deliverables to the Army. We also reviewed documentation related to the contractors' completed quality control activities and assessed whether the contractors complied with established quality control requirements and addressed and corrected any identified supply and equipment quality deficiencies, where applicable.

Furthermore, we reviewed documentation prepared or maintained by Army and Defense Contract Management Agency personnel, as applicable, to assess whether the responsible oversight personnel monitored the contractors' quality control activities and conducted independent inspections, as required, in accordance with established oversight procedures and applicable Federal and DoD policies.

Procedures to Determine Whether Contractors Delivered Supplies and Equipment in a Timely Manner

We assessed whether the Army ensured that the contractor provided supplies and equipment to the UAF in a timely manner. Specifically, we reviewed the contracts and related documentation to identify the contractors' production and delivery schedules. We also reviewed documentation related to shipments made by the contractors and assessed whether the contractors delivered supplies and equipment in accordance with required delivery timelines.

Furthermore, we reviewed documentation prepared or maintained by Army and Defense Contract Management Agency personnel, as applicable, to assess whether the responsible oversight personnel monitored the contractors' production and delivery of the supplies and equipment in accordance with established oversight procedures and applicable Federal and DoD policies.

Procedures to Confirm Whether the DoD Transferred Supplies and Equipment to Ukraine from the Forward Destinations

We assessed whether DoD and other relevant support personnel at the forward destinations ensured that the supplies and equipment funded through the USAI were received, accounted for, and transferred to Ukraine in accordance with established local policies and procedures. Specifically, we conducted interviews to discuss the personnel's roles and responsibilities for receiving, tracking, and transporting USAI-funded equipment.

We also observed procedures for receiving and unloading supplies and equipment at the forward destinations and reloading the supplies and equipment onto trucks or other vehicles for transport to Ukraine. Furthermore, we reviewed documentation prepared or maintained by Army and DoD personnel, such as customs forms, to assess whether the responsible oversight personnel monitored the transportation and confirmed delivery of the supplies and equipment to Ukraine.

Criteria

We evaluated the quality, timeliness, and delivery procedures according to the following criteria.

- FAR Part 42, "Contract Administration and Audit Services"
- FAR Part 46, "Quality Assurance"
- FAR Part 47, "Transportation"
- FAR Subpart 1.6, "Career Development, Contracting Authority, and Responsibilities"

- FAR Subpart 11.4, "Delivery and Performance Schedules"
- DFARS Part 246, "Quality Assurance"
- DFARS Subpart 242.11, "Production Surveillance and Reporting"
- "DoD Contracting Officer's Representatives Guidebook," October 2022

Internal Control Assessment and Compliance

We assessed internal controls and compliance with laws and regulations necessary to satisfy the audit objective. In particular, we assessed the control environment, control activities, monitoring, information and communication, and risk assessment components of internal controls. However, because our review was limited to these internal control components and underlying principles, it may not have disclosed all internal control deficiencies that may have existed at the time of this audit.

Use of Computer-Processed Data

We did not use computer-processed data to perform this audit.

Prior Coverage

During the last 5 years, the DoD Office of Inspector General (DoD OIG) and the Government Accountability Office (GAO) issued six reports discussing the delivery of supplies and equipment to Ukraine.

Unrestricted DoD OIG reports can be accessed at http://www.dodig.mil/reports.html/. Unrestricted GAO reports can be accessed at http://www.gao.gov.

DoD OIG

Report No. DODIG-2024-101, "Audit of Remote Maintenance and Distribution Cell–Ukraine Restructuring Contract Surveillance Planning and Contractor Oversight," June 25, 2024

> The DoD OIG determined that Army contracting personnel planned and established controls to conduct surveillance of contractor performance at the Remote Maintenance and Distribution Cell–Ukraine in accordance with Federal and DoD policies. Army contracting personnel also adjusted the surveillance procedures and number of oversight personnel located onsite to adapt to changing requirements in the Remote Maintenance and Distribution Cell–Ukraine's mission and to ensure continued surveillance of the contractor's maintenance efforts. Lastly, Army contracting personnel tasked to conduct contract oversight at the Remote Maintenance and Distribution Cell–Ukraine were nominated in writing, possessed the necessary experience, and completed the required training in accordance with DoD policy.

Report No. DODIG-2024-093, "Evaluation of the Accountability of Ukraine-Bound Equipment to Sea Ports of Embarkation in the Continental United States," June 10, 2024

The DoD OIG determined that DoD Components accounted for and rapidly transported defense materials the United States provided to Ukraine from their points of origin to seaports of embarkation within the continental United States. However, DoD Components did not move and track equipment as efficiently as possible and did not follow some DoD policies.

Report No. DODIG-2024-053, "Evaluation of the U.S. European Command's Planning and Execution of Ground Transportation of Equipment to Support Ukraine from Port to Transfer Locations," February 8, 2024

The DoD OIG determined that the U.S. European Command and U.S. Army Europe-Africa implemented security controls for equipment transferred from seaport to ground transportation. However, U.S. Army Europe-Africa did not always maintain in-transit visibility of Presidential Drawdown equipment in accordance with the theater movement control center standard operating procedures. In addition, U.S. European Command personnel did not have an English translation of the Deutsche Bahn service requirements for providing rail services.

Report No. DODIG-2023-092, "Management Advisory: DoD's Transportation of Ammunition in Support of Ukraine," July 5, 2023

This report contains controlled unclassified information.

Report No. DODIG-2023-084, "Evaluation of Accountability Controls for Defense Items Transferred Via Air to Ukraine within the U.S. European Command Area of Responsibility," June 8, 2023

The DoD OIG determined that DoD personnel received, inspected, staged, and transferred defense items to Government of Ukraine representatives in Jasionka effectively and swiftly, often within hours of receipt. However, among the five shipments the DoD OIG observed and reviewed, DoD personnel did not always have the required accountability for the items received and transferred at Jasionka.

GAO

Report No. GAO-24-106289, "DoD Should Improve Data for Both Defense Article Delivery and End-Use Monitoring," March 2024

The GAO determined that the DoD established new entities to help deliver an unprecedented amount of security assistance to Ukraine in condensed time frames. However, the DoD has not fully documented the roles and responsibilities of these new entities in its guidance. In addition, the GAO determined that DoD data indicate that the agency has delivered most of the defense articles approved for provision to Ukraine under two key security assistance authorities, Presidential Drawdown Authority and the USAI. However, the DoD has not maintained accurate data in Defense Security Cooperation Agency 1000, the system of record used to track deliveries of defense articles provided under Presidential Drawdown Authority, because the service branches record defense articles as delivered at different points in the delivery process. Furthermore, the DoD has not used its data systems to track the delivery of some defense articles provided under the USAI. Lastly, the DoD modified its enhanced end-use monitoring program in response to challenges presented by the ongoing conflict in Ukraine. However, the DoD has not formally evaluated whether the modified program effectively achieves its intended goals.

Appendix B

Potential Monetary Benefits

Recommendation	Type of Benefit	Amount of Benefit	Account
1.a	Questioned costs – Nonrecoverable. Reduce costs and potential waste by enforcing IDIQ pricing matrix prices for quantities up to the established maximum order quantities.	$20.5 million	TBD
1.d	Funds put to better use – Recoverable. Funds associated with ammunition the contractors did not deliver in accordance with the contractual delivery schedules, for which the contracts allow the Government to collect consideration for untimely deliveries.	$1.1 million	TBD
2.b	Funds put to better use – Funds associated with undelivered ammunition procured at a higher cost because delivery order quantities exceeded established IDIQ maximum quantities. A portion may be avoidable if the Army no longer needs the ammunition or the ammunition could be procured through alternate options at a lower cost.	$907 million	TBD

Note: Potential monetary benefits are questioned costs or funds put to better use.

Source: The DoD OIG.

Management Comments

Army Contracting Command

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

AMCC-IR (RN 11-7a)

11 AUG 2025

MEMORANDUM FOR Internal Review and Audit Compliance Office, Headquarters, U.S. Army Materiel Command, 4400 Martin Road, Redstone Arsenal, AL 35898-5000

SUBJECT: U.S. Department of Defense Office of Inspector General (DoD OIG) Audit Draft Report Project No. D2024-D000AX-0151.000 (CUI) Audit of the U.S. Army's Processes for Providing Supplies and Equipment Funded Through the Ukraine Security Assistance Initiative

1. Reference. DoD OIG Audit Draft Report (CUI) "Audit of the U.S. Army's Processes for Providing Supplies and equipment Funded Through the Ukraine Security Assistance Initiative" (Project No. D2024-D000AX-0151.000).

2. As the Commanding General, U.S. Army Contracting Command (ACC) and within my role as the Head of Contracting Activity (HCA) I have reviewed, the subject draft report Findings and Recommendations. I concur with the Corrective Actions and responses provided by the Executive Director / Senior Contracting Official (SCO) ACC Rock Island (RI); detailed comments are enclosed. (Recommendations 1.a, 1.b, 1.c, 1.d, 1.e, 2.a, 2.b and 3)

3. As the HCA, I take exception to the DoDIG's Findings and call attention to a number of misunderstandings and omissions. The report's conclusions are flawed due to these critical misunderstandings. Despite receiving comprehensive information, the report presents an incomplete and inaccurate picture of the Special Ammunition and Weapons Systems (SAWS) Indefinite-Delivery Indefinite-Quantity (IDIQ) contract's implementation and the proactive steps taken to ensure responsive and responsible procurement as well as judicious contract management.

4. This summary outlines DoD OIG misunderstandings and omissions which have led to critical inaccuracies within the current findings and highlights significant areas where the DoD OIG demonstrates a fundamental misunderstanding of the SAWS IDIQ contract structure and implementation:

a. Pricing Methodology: The DoD OIG report incorrectly concludes regarding pricing, ignoring explicit stipulations within the IDIQ that allow for pricing outside the Price Matrix for CLIN variants and quantities beyond established min/max levels. Pricing reasonableness for these instances is demonstrably determined through established processes – delivery order competition, Independent Government Cost Estimates (IGCE), and historical pricing data.

b. Sourcing & Solicitation Scope: The DoD OIG incorrectly asserts a lack of evidence of broader solicitation. The report fundamentally misunderstands the IDIQ's scope, which places the responsibility for broad industry solicitation on the Prime Contractors, not the Government. These contractors did solicit widely and submitted proposals including numerous suppliers, from which the United States Government selected the best-value options.

Army Contracting Command (cont'd)

AMCC-IR (RN 11-7a)
SUBJECT: U.S. Department of Defense Office of Inspector General (DoD OIG) Audit Draft Report Project No. D2024-D000AX-0151.000 (CUI) Audit of the U.S. Army's Processes for Providing Supplies and Equipment Funded Through the Ukraine Security Assistance Initiative

c. Determination of "Inflated Prices": The DoD OIG's claim of inflated prices lacks justification and transparency. The basis for this determination is unclear. Best value decisions were made based on competitive proposals, considering both price and schedule.

d. Matrix Price Applicability: The DoD OIG demonstrates a critical misunderstanding of the Price Matrix, failing to recognize that it does not apply to contract line-item number variants or quantities solicited outside of the min/max parameters. These prices are evaluated through competitive delivery order processes, as clearly defined in the IDIQ.

5. The DOD OIG report's conclusions are significantly impacted by a misunderstanding of the IDIQ structure and proactive measures taken to ensure responsible spending. The primary concern is the factual accuracy of the report, which currently lacks a holistic view of the contract's implementation. Despite providing ample information, the report does not reflect these key details.

6. The ACC point of contact for this memorandum is [redacted], Contracting Operations, at [redacted] or [redacted].

Douglas S. Lowrey

Encl

DOUGLAS S. LOWREY
Major General, USA
Commanding

Army Contracting Command (cont'd)

DEPARTMENT OF THE ARMY
ARMY CONTRACTING COMMAND – ROCK ISLAND
3055 RODMAN AVENUE
ROCK ISLAND, IL 61299-8000

CCRI-AMF 29 July 2025

MEMORANDUM FOR Commander, U.S. Army Contracting Command (ACC), 4505 Martin Road, Redstone Arsenal, AL 35898

SUBJECT: Response to DoD OIG Draft Report - Audit of the U.S. Army's Processes for Providing Supplies and Equipment Funded Through the Ukraine Security Assistance Initiative (Project No. D2024-D000AX-0151.000)

1. Reference DoD OIG Draft Report, "Audit of the U.S. Army's Processes for Providing Supplies and Equipment Funded Through the Ukraine Security Assistance Initiative" (Project No. D2024-D000AX-0151.000) dated 14 July 2025.

2. The Draft DoD OIG Report cited several recommendations to the Army Contracting Command – Rock Island (ACC-RI) and Product Lead (PdL) Special Ammunition and Weapon Systems (SAWS), within Joint Program Executive Office (JPEO) Armaments and Ammunition (A&A). This memorandum outlines all recommendations, the ACC-RI & JPEO A&A response to each, and formal comments to the document.

3. ACC-RI & PdL SAWS directed recommendations and responses:

Recommendation 1:

a. Develop and implement guidance promoting the use of existing indefinite-delivery indefinite-quantity contracts for new acquisition requirements up to the maximum quantities allowed. In instances in which new acquisition requirements exceed established maximum order quantities, the guidance should:

- Direct contracting personnel to evaluate pricing before issuing new orders and determine whether it is advantageous to the Government to order under existing indefinite-delivery indefinite-quantity contracts or pursue other procurement options to ensure that the Government receives the best value.

- Include a requirement that contracting personnel enforce agreed-upon prices for quantities up to the maximum order quantities established by indefinite-delivery indefinite-quantity contracts to the maximum extent possible.

ACC-RI Response 1a: ACC will continue maximizing Indefinite Delivery/Indefinite Quantity (IDIQ) utilization and achieving best value. ACC has conducted a comprehensive review of current procurement practices and finds that best value

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Army Contracting Command (cont'd)

analysis appropriately determines advantageous outcomes for the Government. The PdL SAWS mission - to procure and deliver safe, reliable, and effective Non-Standard Ammunition and Weapon Systems that enable U.S. Agencies, U.S. Allies, and U.S. Joint Forces to achieve strategic objectives – necessitates a rapid and agile acquisition approach. Given the broad scope of this mission and the inherent uncertainty of future requirements, a multi-award IDIQ is the optimal solution.

The base contract was awarded through a full and open best value competition, selecting all companies technically capable of this multi-award IDIQ agreement. Subsequent Delivery Orders (DO) are competed amongst these awardees, fostering a robust marketplace and ensuring ongoing value. This approach has the following benefits:

1) Flexibility: Enables rapid procurement for requirements unknown at contract award

2) Efficiency: Avoids repetitive contracting processes, aligning with Department-wide efficiency goals.

3) Cost control: Drives fair and reasonable pricing through competition for each DO.

SAWS IDIQ contracts used to procure ammunition for Ukraine operate within a dynamic environment. ACC consistently enforces agreed-upon prices up to maximum order quantities defined in the contract's price matrix. It's important to note that this matrix is *not* exhaustive (Section A of the contract explicitly states this). As new requirements for SAWS variants emerge and are funded, they will continue to compete amongst awardees, adhering to fair opportunity provisions. Furthermore, per FAR 52.216-19, the Not-to-Exceed (NTE) unit prices are not obligated if requested quantities fall outside the matrix's minimum/maximum ranges. In such cases, ACC will evaluate competitive proposals to ensure price reasonableness, documenting the basis for award and any trade-off considerations.

ACC current practices, guided by the FAR and embedded within our contract terms, effectively address the principles outlined in the recommendation. ACC routinely applies lessons learned seeking to pursue continuous process improvements. Before proceeding with developing new guidance all alternatives need to be considered including the elimination of NTE prices to provide for a more adaptive acquisition environment and eliminate the misperception that ongoing competition in multiple-award IDIQ contracts is an insufficient practice. ACC is prepared to present a detailed overview of our existing processes and the specific mechanisms in place for the PdL SAWS IDIQ contracts.

Recommendation 1b: Review all contracts that include the consideration language and determine whether the contractors delivered rounds late. In instances in which

Army Contracting Command (cont'd)

contracting personnel identify late deliveries, we recommend that the Commanding General, Army Contracting Command, apply consideration in accordance with the contracts.

ACC-RI Response 1b: ACC's contract includes consideration language stating the contractors are subject to consideration by the United States Government (USG) in the event the awarded delivery schedules become delinquent. The awards state that consideration will be based on the number of rounds delinquent on each CLIN from the awarded schedule IAW the incorporated referenced proposal submission within this DO. The contract also states that the USG reserves the right to pursue further remedies to offset any risk associated with late/delinquent delivery(s).

ACC issues a formal notification every 90 days of consideration due to the USG based on the current undelivered/delinquent deliveries from the awarded delivery schedule. An initial letter following this direction was sent on 20 November 2024 as notated below. This letter was sent for transparency of the calculation to date and to address any potential discrepancies.

Furthermore, the consideration owed on DOs with delinquent rounds is continually updated to reflect the total amounts of consideration owed to the USG. This is a running total that is subject to de-obligation from contract totals. Additionally, these calculations were discussed face to face in the January 2025 Program Management Review (PMR) where both contractors acknowledged the consideration due. ACC continues to send formal modifications to de-obligate the contract in accordance with the applied consideration.

Certain orders under the SAWS IDIQs have pending Requests for Equitable Adjustment, which would require leaving FMS funding available for payment of these requests. For example, a Pause/Stop work under Executive Order 14169, the USG withheld contracting actions relating to consideration to ensure funding was still available for potential claims as a result of the directed pause of deliveries.

There are also instances of USG directed actions for changes in delivery locations and additional factors including the fluidity of geopolitical factors in OCONUS nations that are uncontrollable by the contractors or the USG which continue to impact the cost and schedule deliveries. ACC continues to negotiate the consideration applicable as a result of the aforementioned concerns to properly remedy the ever-changing effect on the delivery schedule.

Recommendation 1c: Report to the DoD OIG the total consideration collected for late deliveries identified by completing the actions in Recommendation 1.b.

ACC-RI Response 1c: To date, the USG has requested consideration in excess of $5M that is subject to negotiation for delinquent deliveries. ACC will continue to hold contractors accountable to meeting their contractual obligations of the delivery schedule or further pursue termination if an acceptable remedy is not plausible.

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Army Contracting Command (cont'd)

Recommendation 1d: Collect the $1.1 million in consideration that should have been collected for late deliveries as of November 30, 2024.

ACC-RI Response 1d: ACC continues to assess and negotiate the consideration due to the USG for delinquent deliveries on a DO by DO basis. Upon reaching an agreement for Requests for Equitable Adjustments, disputes, and administrative actions, ACC will de-obligate funding from the contracts and return to the US Treasury.

Recommendation 1e:
Prepare the outstanding contractor performance evaluations to adequately reflect the contractors' performance in the Contractor Performance Assessment Reporting System.

ACC-RI Response 1e: Outstanding contractor performance evaluations are being completed to accurately reflect performance within the Contractor Performance Assessment Reporting System (CPARS). To date, the CPARs for the Rating Period January 2022 to January 2023 is complete. The input for the CPARs for Rating Period dated January 2023 to 2024 is collected, reflects performance to include the assessments and challenges faced by the contractors and schedule delays. ACC continues to assess this rating in its entirety and will release to the contractor upon completion. ACC continues to consolidate the input for the Rating Period dated January 2024 to January 2025 and will be provided to the contractors upon completion of the previous period of performance. In addition to CPARs, the USG/Contractors have bi-weekly meetings to discuss status and assess contractor performance in real time. AD HOC discussions are facilitated as performance concerns arise. ACC continues to take a candid approach at the PMRs when meeting with contractors on a bi-annual basis to discuss delivery status, challenges, and performance.

Recommendation 2:

Recommendation 2a: Evaluate whether the DoD still needs to provide the delayed ammunition to the Ukrainian Armed Forces and if so, determine whether the existing indefinite-delivery indefinite-quantity contracts are still the most viable option to procure the ammunition or explore alternate options. If the DoD identifies a more viable alternative to procure the ammunition or determines that it does not need to provide the delayed ammunition to the Ukrainian Armed Forces, we recommend that the Product Lead, Special Ammunition and Weapons Systems, in coordination with the Commanding General, Army Contracting Command, consider contract termination and pursue other procurement options, as necessary.

ACC-RI and PdL SAWS Response 2a: ACC and PdL SAWS continues to ensure requirements are routinely revalidated with the customer through frequent meetings (typically weekly), and maintaining schedule remains a high priority. This necessitates the current contracting strategy, as pursuing new contracts for each individual requirement (18 DOs have been awarded to date) would be impractical. Given the ongoing competition for each DO, the probability of securing costs lower than those

Army Contracting Command (cont'd)

already provided is minimal. As documented in GAO report GAO-18-467, awarding a new contract typically takes an average of 600 days, rendering that approach untenable.

As a result of recurring reviews conducted jointly by the ACC and the PdL-SAWS, a strategic decision has been made to pursue contract termination and/or cancellation, coupled with deobligating of associated CLINs, for certain delinquent requirements. When assessments indicate a diminished or eliminated need for previously ordered munitions, the associated obligated funding and CLINs become candidates for cancellation or termination. For example, the requirement for munitions under an order is being cancelled, with the removal of nearly $100M in associated funding.

Other procurement options cannot be pursued since the period of availability is expired for obligation as outlined in the Letter of Obligation and Authorization (LOA). This is essentially the "contract" between USG and Foreign Partner for the FMS case. The funds NOT obligated within the period of availability, typically available for obligation for one year after the fiscal year of the appropriation, are rendered unavailable for new obligation.

Recommendation 2b: Report to the DoD OIG the total cost the Army avoided by completing the actions outlined in Recommendation 2.a for the $907 million in ammunition orders that have not yet been delivered.

ACC and PdL SAWS Response 2b: The Army is in continuous engagement/review with the customer to validate the requirements and ensure the deliveries are still required. As a result of recurring reviews conducted jointly by the ACC-RI and the PdL-SAWS, a strategic decision has been made to pursue contract termination and/or cancellation, coupled with defunding of associated Contract Line Item Numbers (CLINs), for certain delinquent requirements. When assessments indicate a diminished or eliminated need for previously ordered munitions, the associated obligated funding and CLINs become candidates for cancellation or termination. For example, ACC-RI is pursuing termination for the requirement for munitions to be cancelled based on an unacceptable delivery schedule and this action alone will remove nearly $100M in allocated funding.

Cancelling requirements would be a decision made primarily by the end-user or their representative. Cancelling and re-awarding the requirements, would require new congressionally approved funding and a very high likelihood of further delaying delivery of any ammunition. Customer has emphasized the importance of schedule. Moreover, the nature of the IDIQ is to explore global supply options. Given the current demand, cancellation and reaward to other supplier would essentially put the order "at the back of the production line.

Recommendation 3:

Army Contracting Command (cont'd)

Recommendation 3: We recommend that the Product Lead, Special Ammunition and Weapons Systems, develop lessons learned from using the ammunition indefinite-delivery indefinite-quantity contracts to support the Ukrainian Armed Forces and implement procedures to ensure timely supply and equipment deliveries during other ongoing and future contingency operations. The procedures should include steps for:

- Identifying when contractors cannot deliver supplies and equipment within the agreed-upon or reasonable time frames.

- Coordinating with Army contracting personnel to pursue alternate options to procure the necessary supplies and equipment in a timely manner.

PdL SAWS Response 3: PdL SAWS, in concert with its supporting ACCs routinely assess past execution to identify opportunities to improve efficiency and effectiveness. Such examples include, but are not limited to, incorporating consideration language in DO awards, insertion of additional technical parameters, and cancellation of non-performing DOs. As stated previously, the base contract was awarded through a full and open best value competition, selecting all companies determined to be technically capable of performing. The IDIQ holders solicit suppliers worldwide to fulfill the requirements of the solicitation. Through weekly meetings and formal program management reviews with the awarded companies we are apprised of the ongoing efforts to identify all possible procurement solutions. In addition, PdL SAWS participates in Government engagements, and participation in defense and security exhibitions to ensure we are routinely apprised of available suppliers world-wide.

ACC & PdL SAWS Recommendations:

In lieu of the subject DoD OIG report further illustrating inaccurate or misleading information, ACC provides the following clarifications for DoD OIG review and consideration:

a) Consideration clarification: Regardless of the inclusion of specific consideration language, the USG reserves the right to apply consideration to overdue deliveries. These circumstances require negotiation on value and type of consideration.

b) CLIN list clarification: As changes occur in requirements, variants of CLINs do not fall under the established contract quantity minimums/ maximums and NTE pricing. As indicated in accordance with the SAWS IDIQ, the listing of items is not all inclusive, and as requirements for variants of SAWS within the families are identified and funded, those requirements shall be competed among the awardees IAW the fair opportunities to compete provisions. The IDIQ quantity ranges are not established for variant CLINs, with additional quantity ranges available upon request, and to ensure prices are fair, the orders are competed, and price analysis is conducted.

Army Contracting Command (cont'd)

c) Clarification to DoD OIG comment: "The Army also ordered $907 million in ammunition that has not yet been delivered and could put these funds to better use if it cancels those orders or finds alternative sources."

   i. Obligated funding on contracts has expired precluding the ability of the Army to repurpose funds. Cancelling and "finding alternative sources" of the requirements would require new congressional approved funding and is likely to further delay delivery of any ammunition. Moreover, a change in funding is likely to further delay delivery of any essential assets. Given the current global demand, cancellation and re-award to other suppliers would place future requirements behind current orders. Additionally, requirements are routinely revalidated with the customer through evaluation, providing significant emphasis on need. The validation of requirements has indicated that there is still a requirement to meet the requested order, ACC-RI does not determine its requirements or which requirements will receive funding.

d) Clarification to the DOD OIG comment: "the Army paid $20.5 million more than the indefinite-delivery indefinite-quantity base contract price for some of the ammunition delivered to the UAF, resulting in potential waste."

   i. This claim is unfounded. Per the DoD OIG Guide to Fraud, Waste, or Abuse Awareness Feb 2012, waste is defined as "The extravagant, careless, or needless expenditure of government funds, or the consumption of government property that results from deficient practices, systems, controls, or decisions. The term also includes improper practices not involving prosecutable fraud." ACC rigorously performed its due diligence in ensuring best value, fulfilling requirements, and receiving approval based on current price and availability.

   Both the base contract and all subsequent DOs are competitively awarded to ensure fair and reasonable pricing. When requirements are presented to PdL SAWS, price, and availability are provided to the United Stated Army Security Assistance Command (USASAC) via the Joint Munitions Command (JMC) Security Assistance Management Directorate (SAMD). Critically, before a request for proposal for a DO is released USASAC approves each case with the PdL SAWS price and availability.

   Therefore, the implication of waste fails to consider customer requirements and validated pricing and reasonable consequences of alternative approaches (like schedule impacts-see earlier reference to GAO report 18-467). ACC also utilizes consideration clauses to recoup funds for schedule delays. No evidence or viable alternatives demonstrating actual waste have been presented.

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Army Contracting Command (cont'd)

4. ACC hereby acknowledges the review of above recommendations and subsequently requests that responses shall be taken into consideration by the DoD OIG prior to the release of this document to ensure accurate information is represented.

5. The point of contact is [redacted] at [redacted], E-mail: [redacted].

ARMER.LYNDA.R [redacted]
ENEE.[redacted]

LYNDA R. ARMER
Executive Director

8

Assistant Secretary of the Army (Acquisition, Logistics, and Technology)

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 27 August 2025

MEMORANDUM FOR Department of Defense Office of the Inspector General, 4800 Mark Center Drive, Alexandria, Virginia 22350-1500

SUBJECT: Draft Report: Audit of the U.S. Army's Processes for Providing Supplies and Equipment Funded Through the Ukraine Security Assistance Initiative (Project No. D2024-D000AX-0151.000)

1. In accordance with Army Regulation 36-2, Audit Services in the Department of the Army, Section II, paragraphs 1-8 (f.), I am providing the Official Army Position for recommendations 1.a., 1.b.,1.c., 1.d, 1.e., 2.a., 2.b., and 3. The Army concur with comments to the recommendations.

2. Please direct any questions/concerns to [redacted], [redacted].

BUEHLER.KIMB
ERLY.DIANE.[redacted]
[redacted]

Encl

Kimberly D. Buehler
Acting Deputy Assistant Secretary
of the Army (Procurement)

Army Materiel Command

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

AMIR

MEMORANDUM FOR Department of Defense Office of Inspector General (DoD OIG/ [redacted] 4800 Mark Center Drive, Alexandria, VA 22350-1500

SUBJECT: Command Comments, DoD OIG Draft Report: Audit of the U.S Army's Processes for Providing Supplies and Equipment Funded Through the Ukraine Security Assistance Initiative (Project D2024-D000AX-0151.000)

1. The U.S. Army Materiel Command (AMC) has reviewed the subject draft report and concurs with the responses to the recommendations provided by the Commanding General, U.S. Army Contracting Command (ACC) and the Executive Director of ACC Rock Island (RI). Despite ACC providing ample information during the audit process, the DoD OIG report's conclusions are significantly impacted by a misunderstanding of the Indefinite Delivery Indefinite Quantity (IDIQ) structure and proactive measures taken to ensure responsible spending. Comments are summarized below and are detailed in the enclosure.

Recommendation 1: DoDIG recommends that the Commanding General, Army Contracting Command:

a. Develop and implement guidance promoting the use of existing indefinite-delivery indefinite-quantity (IDIQ) contracts for new acquisition requirements up to the maximum quantities allowed. In instances in which new acquisition requirements exceed established maximum order quantities, the guidance should:

Direct contracting personnel to evaluate pricing before issuing new orders and determine whether it is advantageous to the Government to order under existing indefinite-delivery indefinite-quantity contracts or pursue other procurement options to ensure that the Government receives the best value.

Include a requirement that contracting personnel enforce agreed-upon prices for quantities up to the maximum order quantities established by indefinite-delivery indefinite-quantity contracts to the maximum extent possible.

AMC Position: CONCUR with Comments. ACC conducted a comprehensive review of current procurement practices and finds that best value analysis appropriately determines advantageous outcomes for the Government. Given the broad scope of this mission and the inherent uncertainty of future requirements, a multi-award IDIQ is the optimal solution. ACC also consistently enforces agreed-upon prices up to maximum order quantities defined in the contract's price matrix. As new requirements for SAWS variants emerge and are funded, they will continue to compete amongst awardees, adhering to fair opportunity provisions.

ACC routinely applies lessons learned seeking to pursue continuous process

Army Materiel Command (cont'd)

improvements. Before proceeding with developing new guidance all alternatives need to be considered including the elimination of Not-to-Exceed (NTE) prices to provide for a more adaptive acquisition environment and eliminate the misperception that ongoing competition in multiple-award IDIQ contracts is an insufficient practice.

ACC's current practices, guided by the FAR and embedded within the contract terms, effectively address the principles outlined in the recommendation. AMC considers this recommendation implemented.

b. Review all contracts that include the consideration language and determine whether the contractors delivered rounds late. In instances in which contracting personnel identify late deliveries, we recommend that the Commanding General, Army Contracting Command, apply consideration in accordance with the contracts.

AMC Position: CONCUR with Comments. ACC's contract includes consideration language stating the contractors are subject to consideration by the United States Government (USG) in the event the awarded delivery schedules become delinquent. The awards state that consideration will be based on the number of rounds delinquent on each CLIN from the awarded schedule IAW the incorporated referenced proposal submission within this DO. The contract also states that the USG reserves the right to pursue further remedies to offset any risk associated with late/delinquent delivery(s). Furthermore, the consideration owed on DOs with delinquent rounds is continually updated to reflect the total amounts of consideration owed to the USG. This is a running total that is subject to de-obligation from contract totals.

ACC's current practices effectively address the principles outlined in the recommendation. AMC considers this recommendation implemented.

c. Report to the DoD OIG the total consideration collected for late deliveries identified by completing the actions in Recommendation 1.b.

AMC Position: CONCUR with Comment. To date, the USG has requested consideration in excess of $5M that is subject to negotiation for delinquent deliveries.

AMC considers this recommendation implemented.

d. Collect the $1.1 million in consideration that should have been collected for late deliveries as of November 30, 2024.

AMC Position: CONCUR with Comments. ACC continues to assess and negotiate the consideration due to the USG for delinquent deliveries on a DO-by-DO basis. Upon reaching an agreement for Requests for Equitable Adjustments, disputes, and administrative actions, ACC will de-obligate funding from the contracts and return to the US Treasury.

AMC considers this recommendation implemented.

e. Prepare the outstanding contractor performance evaluations to adequately reflect the contractors' performance in the Contractor Performance Assessment Reporting System.

AMC Position: CONCUR with Comments. Outstanding contractor performance evaluations are being completed to accurately reflect performance within the Contractor Performance Assessment Reporting System (CPARS). To date, the CPARS for the

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Rating Period January 2022 to January 2023 is complete. The input for the CPARS for Rating Period dated January 2023 to 2024 is collected, reflects performance to include the assessments and challenges faced by the contractors and schedule delays. ACC continues to assess this rating in its entirety and will release to the contractor upon completion. ACC continues to consolidate the input for the Rating Period dated January 2024 to January 2025 and will be provided to the contractors upon completion of the previous period of performance.

AMC considers this recommendation implemented.

Recommendation 2: DoDIG recommend that the Product Lead, Special Ammunition and Weapons Systems, in conjunction with the Commanding General, Army Contracting Command:

a. Evaluate whether the DoD still needs to provide the delayed ammunition to the Ukrainian Armed Forces and if so, determine whether the existing indefinite-delivery indefinite-quantity contracts are still the most viable option to procure the ammunition or explore alternate options. If the DoD identifies a more viable alternative to procure the ammunition or determines that it does not need to provide the delayed ammunition to the Ukrainian Armed Forces, we recommend that the Product Lead, Special Ammunition and Weapons Systems, in coordination with the Commanding General, Army Contracting Command, consider contract termination and pursue other procurement options, as necessary.

AMC Position: CONCUR with Comments. ACC and PdL SAWS continue to ensure requirements are routinely revalidated with the customer through weekly meetings and maintaining schedule remains a high priority. As a result of recurring reviews conducted jointly by the ACC and the PdL-SAWS, a strategic decision has been made to pursue contract termination and/or cancellation, coupled with de-obligating of associated Contract Line-Item Numbers (CLINs), for certain delinquent requirements. When assessments indicate a diminished or eliminated need for previously ordered munitions, the associated obligated funding and CLINs become candidates for cancellation or termination. For example, the requirement for munitions under an order is being cancelled, with the removal of nearly $100M in associated funding.

AMC considers this recommendation implemented.

b. Report to the DoD OIG the total cost the Army avoided by completing the actions outlined in Recommendation 1.a. for the $907 million in ammunition orders that have not yet been delivered.

AMC Position: CONCUR with Comments. The Army is in continuous engagement with the customer to validate the requirements and ensure deliveries are still required. As a result of recurring reviews conducted jointly by the ACC-RI and PdLSAWS, a strategic decision was made to pursue contract termination and/or cancellation, coupled with defunding of associated CLINs, for certain delinquent requirements. When assessments indicate a diminished or eliminated need for previously ordered munitions, the associated obligated funding and CLINs become candidates for cancellation or termination. For example, ACC-RI is pursuing termination for the requirement for munitions to be cancelled based on an unacceptable delivery schedule and this action alone will remove nearly $100M in allocated funding.

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AMC considers this recommendation implemented.

Recommendation 3: (This recommendation is addressed to the Product Lead, Special Ammunition and Weapons Systems. Although ACC commented on this recommendation, it is the Product Leads responsibility to oversee the implementation of these corrective actions).

DoDIG recommends that the Product Lead, Special Ammunition and Weapons Systems, develop lessons learned from using the ammunition indefinite-delivery indefinite-quantity contracts to support the Ukrainian Armed Forces and implement procedures to ensure timely supply and equipment deliveries during other ongoing and future contingency operations. The procedures should include steps for: a) Identifying when contractors cannot deliver supplies and equipment within the agreed-upon or reasonable time frames. b) Coordinating with Army contracting personnel to pursue alternative options to procure the necessary supplies and equipment in a timely manner.

AMC Position: CONCUR with Comments. PdL SAWS, in concert with its supporting ACCs routinely assess past execution to identify opportunities to improve efficiency and effectiveness. Such examples include, but are not limited to, incorporating consideration language in DO awards, insertion of additional technical parameters, and cancellation of nonperforming DOs. Through weekly meetings and formal program management reviews with the awarded companies we are apprised of the ongoing efforts to identify all possible procurement solutions. In addition, PdL SAWS participates in Government engagements, and participation in defense and security exhibitions to ensure we are routinely apprised of available suppliers world-wide.

AMC considers this recommendation implemented.

2. The U.S. Army Materiel Command point of contact is [redacted] or email: [redacted].

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Encl

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Executive Deputy to the
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Acronyms and Abbreviations

ACC	Army Contracting Command
ACC-RI	Army Contracting Command–Rock Island
DFARS	Defense Federal Acquisition Regulation Supplement
FAR	Federal Acquisition Regulation
IDIQ	Indefinite-Delivery Indefinite-Quantity
PdL SAWS	Product Lead Special Ammunition and Weapons Systems
UAF	Ukrainian Armed Forces
USAI	Ukraine Security Assistance Initiative


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