



# INSPECTOR GENERAL

*U.S. Department of Defense*

OCTOBER 28, 2015



## Army Needs to Improve Contract Oversight for the Logistics Civil Augmentation Program's Task Orders



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# Results in Brief

## *Army Needs to Improve Contract Oversight for the Logistics Civil Augmentation Program's Task Orders*

October 28, 2015

### Objective

Our objective was to determine whether the Army was providing sufficient contract oversight for Logistics Civil Augmentation Program (LOGCAP) task orders issued to support Operation United Assistance. Specifically, we determined whether the Army appointed an adequate number of contracting officer's representatives (CORs); CORs were appropriately trained and appointed; and CORs had sufficient quality assurance plans.

We nonstatistically selected and reviewed quality assurance files for 6 of the 21 CORs appointed to oversee the contractor's work. For more information on the sample selection, please see the Appendix.

### Finding

Although the Army appointed an adequate number of CORs to oversee the task order, the Army did not ensure the CORs provided sufficient oversight for the \$33.8 million LOGCAP task order issued to support Operation United Assistance. Specifically the:

- 414th Contracting Support Brigade officials appointed four of the six CORs without the required training. This occurred because the 414th Contracting Support Brigade officials accepted the risk of not having sufficiently trained CORs.
- Army Contracting Command–Rock Island procurement contracting officer (PCO) did not develop a Quality Assurance Surveillance Plan as required by Federal Acquisition Regulation subpart 46.4. This occurred because the PCO believed she was not responsible for developing the Quality Assurance Surveillance Plan and instead provided four documents that did not meet the Federal Acquisition Regulation requirements for a Quality Assurance Surveillance Plan.

### Finding (cont'd)

As a result, the six CORs in our sample could not perform comprehensive reviews of contractor performance, increasing the risk that the Army paid for goods or services that did not meet contract performance standards. As of August 24, 2015, the Army had paid the contractor \$27.6 million.

We also identified that on at least 2 of the 11 sites, the contractor began work before CORs were on site to perform contractor surveillance. As a result, the contractor performed a total of 26 days of work without COR oversight.

### Recommendations

We recommend the Commander, 414th Contracting Support Brigade, Principal Assistant Responsible for Contracting (PARC) develop procedures that require experienced CORs be identified before contractor work begins; the CORs to be trained before deployment; and CORs to be provided adequate guidance to perform their duties. We further recommend the Commander develop procedures that outline alternate contractor surveillance methods if the CORs cannot perform contractor surveillance until they are on site.

We also recommend the Executive Director and PARC for the Army Contracting Command–Rock Island issue guidance that requires all PCOs to create a Quality Assurance Surveillance Plan specific for each LOGCAP-issued task order.

### Management Comments and Our Response

The Executive Deputy to the Commanding General, Army Materiel Command, responded for the Executive Director and PARC for Army Contracting Command–Rock Island and the Commander, 414th Contracting Support Brigade, PARC. The Executive Deputy addressed Recommendations 1.b and 2, and no further comments are required; however, we request the Commander, 414th Contracting Support Brigade, PARC, provide additional comments on Recommendations 1.a and 1.c. Please see the Recommendations Table on the back of this page.

## ***Recommendations Table***

Management	Recommendations Requiring Comment	No Additional Comments Required
Executive Director and Principal Assistant Responsible for Contracting for the Army Contracting Command–Rock Island		2
Commander, 414th Contracting Support Brigade, Principal Assistant Responsible for Contracting	1.a, 1.c	1.b

Please provide Management Comments by November 27, 2015.





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

October 28, 2015

**MEMORANDUM FOR AUDITOR GENERAL, DEPARTMENT OF THE ARMY  
U.S. AFRICA COMMAND INSPECTOR GENERAL**

**SUBJECT: Army Needs to Improve Contract Oversight for the Logistics Civil Augmentation Program's Task Orders (Report No. DODIG-2016-004)**

We are providing this report for review and comment. The Army did not provide sufficient contract oversight for the Logistics Civil Augmentation Program task order issued to support Operation United Assistance. Insufficient oversight increases the risk that the Army paid for goods or services that did not meet contractor performance standards. As of August 24, 2015, the Army had paid the contractor \$27.6 million. This audit relates to the Operation United Assistance and was completed in accordance with the DoD Inspector General oversight responsibilities, as described in Section 8L of the Inspector General Act of 1978, as amended. We conducted this audit in accordance with generally accepted government auditing standards.

We considered management comments on a draft of this report when preparing the final report. DoD Instruction 7650.03 requires that recommendations be resolved promptly. Comments from the Executive Deputy to the Commanding General, Army Materiel Command, responding for the Executive Director and Principal Assistant Responsible for Contracting for Army Contracting Command-Rock Island and the Commander, 414th Contracting Support Brigade, Principal Assistant Responsible for Contracting, addressed Recommendations 1.b and 2, and no additional comments are required. However, the Executive Deputy did not address Recommendation 1.a and partially addressed Recommendation 1.c. Therefore, we request the Commander, 414th Contracting Support Brigade, Principal Assistant Responsible for Contracting, provide additional comments on Recommendations 1.a and 1.c by November 27, 2015.

Please send a PDF file containing your comments to [audrco@dodig.mil](mailto:audrco@dodig.mil). Copies of your comments must have the actual signature of the authorizing official for your organization. We cannot accept the /Signed/ symbol in place of the actual signature. If you arrange to send classified comments electronically, you must send them over the SECRET Internet Protocol Router Network (SIPRNET).

We appreciate the courtesies extended to the staff. Please direct questions to me at (703) 699-7331 (DSN 312-499-7331).

A handwritten signature in black ink, reading "Carol M. Gorman".

Carol Gorman  
Assistant Inspector General  
Readiness & Cyber Operations

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## Acronyms and Abbreviations

# Introduction

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## Objectives

Our audit objective was to determine whether the Army was providing sufficient contract oversight for Logistics Civil Augmentation Program (LOGCAP) task orders issued to support Operation United Assistance (OUA). Specifically, we determined whether the:

- Army appointed an adequate number of contracting officer's representatives (CORs);
- CORs were appropriately trained and appointed; and
- CORs had sufficient quality assurance plans to ensure the DoD received the goods and services under the terms of the contract.

We nonstatistically selected and reviewed quality assurance files for 6 of the 21 CORs appointed to oversee the contractor's work. See Appendix for a discussion of the scope and methodology and prior audit coverage.

## Background

OUA is the DoD contingency operation that began in October 2014. It provides command and control; logistics; training; and engineering to support the efforts led by the U.S. Agency for International Development to contain the Ebola virus in West Africa. Since the operation was initiated, DoD personnel have:

- constructed Ebola treatment units and the Monrovia Medical Unit;<sup>1</sup>
- provided engineering services in Liberia;
- purchased and transported medical supplies;
- conducted laboratory tests of suspected cases of Ebola;
- provided test kits to medical authorities in Liberia and Sierra Leone; and
- trained healthcare workers.

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<sup>1</sup> The Monrovia Medical Unit provides health care specifically for all healthcare responders that become infected with the Ebola virus disease.

At the peak of transmission, which occurred during August and September 2014, Liberia reported from 300 to 400 new Ebola cases every week. The World Health Organization declared Liberia free of the Ebola virus transmission as of May 9, 2015, stating that stopping the transmission of the Ebola virus was a monumental achievement for the country. On June 30, 2015, the President directed the termination of OUA. As of June 2015, DoD had obligated a total of \$506 million to support the operation.

### ***LOGCAP Contract***

LOGCAP provides Combat Support and Combat Service Support to Combatant Commanders and Army Service Component Commanders during contingency operations. LOGCAP is a series of multiple award indefinite-delivery indefinite-quantity contracts from which contracting officers can issue task orders.

On August 13, 2014, Army Contracting Command (ACC) awarded \$21 million<sup>2</sup> to FLUOR Intercontinental, Inc. under LOGCAP contract W52P1J-07-D-0008 task order 0013 (TO 0013). The task order covers base life support services throughout Africa, which includes OUA. As of June 29, 2015, the cost-plus-fixed-fee task order was funded for \$46.1 million in which an undefinitized<sup>3</sup> \$37.7 million was appointed to support the following OUA contract services in Senegal and Liberia.

- Construction/Site Prep - \$12.2 million
- Operations & Maintenance - \$14.7 million
- Installation Force Provider<sup>4</sup> - \$3.9 million
- Disassembly Force Provider - \$3.7 million
- Monrovia Medical Unit Operation & Maintenance - \$3.2 million

For this audit, we reviewed contractor oversight for the services performed at 11 sites in Liberia under TO 0013, which were valued at \$33.8 million as of August 24, 2015.

### ***Roles and Responsibilities***

The U.S. Army Materiel Command is the executive agent for LOGCAP Program Management. The Army Sustainment Command, a subordinate command of Army Materiel Command, is the principal staff agency for day-to-day management and operation of the LOGCAP program.

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<sup>2</sup> This includes all contract options.

<sup>3</sup> Any contract action for which the contract terms, specifications, or price are not agreed upon before performance is begun under the action.

<sup>4</sup> Force Provider equipment is the Army's premier life support base camp system that is a containerized and highly deployable "tent city."



ACC is also a subordinate command of Army Materiel Command and provides contracting and oversight support for the task order. The specific LOGCAP TO 0013 roles and responsibilities for contract management and oversight are:

- Procurement contracting officer (PCO):
  - located at ACC–Rock Island, (which is a subordinate unit of ACC);
  - ensures performance of all necessary actions for effective contracting;
  - ensures compliance with the terms of the contract; and
  - safeguards the interests of the United States in its contractual relationships.
- 414th Contracting Support Brigade (CSB):
  - assigned to the Expeditionary Contracting Command Vicenza, Italy, a subordinate unit of ACC; and
  - serves as the lead contract coordinator and designated administrative contracting officer (ACO)<sup>5</sup> for the task order who ensures contractor compliance with contractual quality assurance requirements and safety standards.
- CORs from various commands function as the “eyes and ears” of the contracting officer. Specifically, CORs:
  - monitor and document the contractor’s technical performance; and
  - conduct contract surveillance to ensure the contractor meets the performance standards of the contract.

### ***Contract Surveillance Requirements***

Army Regulation (AR) 70-13<sup>6</sup> states that the fundamental goals of oversight and surveillance are to ensure the Government obtains quality and timely services at the performance level and prices specified in the contract. To be effective, contract surveillance requires appropriate and immediate on-site monitoring of contractor services, which includes verification and analysis of services rendered. Adequate contract oversight consists of creating a surveillance plan and then performing surveillance in accordance with that plan. An adequate surveillance plan provides the foundation for comprehensive and systematic monitoring of contract performance and a standard against which actual surveillance efforts can be measured.

<sup>5</sup> On October 1, 2014, the Army began transitioning administrative contracting support responsibilities for LOGCAP from the Defense Contract Management Agency to Army Materiel Command Contracting units. As a result, 414th CSB officials were considered the ACOs for the LOGCAP task order we reviewed.

<sup>6</sup> AR 70-13, “Management and Oversight of Service Acquisitions,” July 30, 2010.

## Review of Internal Controls

DoD Instruction 5010.40, “Managers’ Internal Control Program Procedures,” May 30, 2013, requires DoD organizations to implement a comprehensive system of internal controls that provides reasonable assurance that programs are operating as intended and to evaluate the effectiveness of the controls. We identified internal control weaknesses in contract surveillance for LOGCAP TO 0013. Specifically, the contracting officials did not provide sufficient oversight for the task order issued to support OUA. We will provide a copy of the report to the senior official responsible for internal controls.

## Finding

### Insufficient Oversight of the OUA LOGCAP Task Order

Although the 414th CSB officials appointed an adequate number of CORs to oversee the OUA LOGCAP task order, the PCO for ACC–Rock Island and 414th CSB officials did not ensure those CORs provided sufficient oversight of the \$33.8 million in OUA services. Specifically the:

- 414th CSB officials appointed four of the six CORs without requiring them to complete all mandatory COR training before they initiated their COR duties. This occurred because the 414th CSB officials accepted the risk of not having sufficiently trained CORs.
- ACC–Rock Island PCO did not develop a Quality Assurance Surveillance Plan (QASP) that specified all work requiring surveillance and the method of surveillance as required by Federal Acquisition Regulation (FAR) subpart 46.4.<sup>7</sup> This occurred because the PCO believed she was not responsible for developing the QASP and instead provided four documents that when combined together did not meet the FAR requirements for a QASP.

As a result, all 6 CORs in our nonstatistical sample could not perform comprehensive reviews of contractor performance, increasing the risk that the Army paid for goods or services that did not meet contractor performance standards. As of August 24, 2015, the Army had paid the contractor \$27.6 million for the OUA LOGCAP task order.

We also identified that on at least 2 of the 11 sites, the contractor began work before CORs were on site to perform contractor surveillance. As a result, the contractor worked a total of 26 days without COR oversight.

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<sup>7</sup> FAR Subpart 46.4, "Government Contract Quality Assurance."

## The 414th CSB Officials Appointed Adequate Number of CORs

The 414th CSB officials appointed an adequate number of CORs to oversee TO 0013. During the 6-month period the contractor performed OUA work in Liberia, 21 CORs were geographically located at the 11 sites in Liberia to oversee the contract work.

According to FAR subpart 16.3,<sup>8</sup> at least one COR must be designated for a cost-type contract. The 414th CSB officials met the FAR requirements by appointing 21 CORs<sup>9</sup> to oversee the contractor's work and, at a minimum, there was one COR assigned to each of the sites.

## CORs Lacked Mandatory Training

...four of the six CORs included in our review did not complete the mandatory COR training before they began their COR duties.

While the 414th CSB appointed an appropriate number of CORs to oversee the LOGCAP task order, four of the six CORs included in our review did not complete the mandatory COR training before they began their COR duties. FAR subpart 1.6<sup>10</sup> states that the contracting officer must designate and authorize a COR in writing, and a COR must be qualified by training and experience. AR 70-1311 states that before contract work begins, the PCO must ensure the COR has been identified and received the necessary training to perform their duties.

As shown in Table 1, four of the six CORs included in our review did not complete COR training before starting their COR duties. For example, one COR never completed one required training class and another COR did not complete all the mandatory training until 22 days after initiating COR duties. Specifically, the COR started work on October 17, 2014, but completed the mandatory training on November 6, 2014.

<sup>8</sup> FAR Subpart 16.301-3, "Limitations."

<sup>9</sup> The 21 CORs were not concurrently assigned. New CORs were assigned when others departed.

<sup>10</sup> FAR Subpart 1.6, "Career Development, Contracting Authority, and Responsibilities," 1.602-2, "Responsibilities."

<sup>11</sup> AR 70-13, "Management and Oversight of Service Acquisitions," July 30, 2010.

Table 1. Record of COR's Mandatory Training

CORs	COR Start Date	Uncompleted Training	Training Completion Date
1	November 15, 2014	CLC 222 <sup>1</sup>	Never completed
2	October 20, 2014	None	----
3	October 9, 2014	CLC 106 <sup>2</sup> CLC 222	October 14, 2014 October 14, 2014
4	November 30, 2014	None	----
5	November 15, 2014	CLC 106 CLC 222	September 27, 2010 November 29, 2014
6	October 17, 2014	CLC 106 CLC 222	November 4, 2014 November 6, 2014

<sup>1</sup> Continuous Learning Center (CLC) 222, "Contracting Officers Representative (COR) Online Training"

<sup>2</sup> CLC 106, "COR With a Mission Focus"

## The 414th CSB Officials Accepted the Risk of Not Having Sufficiently Trained CORs

The 414th CSB officials accepted the risk of not having sufficiently trained CORs to oversee the contractor. A 414th CSB Official stated that he preferred to have personnel with technical experience on site to perform COR duties rather than wait for the CORs to complete mandatory COR training. However, one of the six CORs we reviewed did not have relevant technical expertise or experience, nor did that COR complete all of the required COR training classes.

Although Department policy<sup>12</sup> requires CORs to be properly designated and trained, the 414th CSB official accepted the risk of not having sufficiently trained CORs for the LOGCAP OUA task order. Properly trained CORs ensure contractors comply with all contract requirements and overall performance is commensurate with the level of payments made throughout the life of the contract. Without properly trained CORs, DoD is at risk of paying for services that do not comply with performance standards. The Commander, 414th CSB, Principal Assistant Responsible for Contracting (PARC), should develop procedures that require the administrative contracting officers verify that CORs with adequate experience are identified before the contract work begins and require them to take COR training before leaving for deployment, or obtain training waivers<sup>13</sup> in accordance with DoD guidance.

<sup>12</sup> Deputy Secretary of Defense Memorandum, "Monitoring Contract Performance in Contracts for Services," August 22, 2008.

<sup>13</sup> On March 26, 2015, DoD released DoD Instruction 5000.72, "DoD Standard for COR Certification," that provides contracting officers with more flexibility in waiving COR-specific initial and refresher training requirements for COR nominees who have obtained specific certification levels in accordance with the Defense Acquisition Workforce Improvement Act.



## PCO Needed to Develop a QASP Specific to the Task Order

The ACC–Rock Island PCO did not create a QASP specific to TO 0013. Instead, the PCO relied on four other documents to function as the QASP. FAR subpart 46.4 states that a QASP should be prepared at the same time as the performance work statement (PWS) and specify all work that requires surveillance and the method of surveillance.

Rather than provide a task order specific QASP, the ACC–Rock Island LOGCAP Chief and the Army Material Command Deputy Program Manager stated that the following four documents provided an adequate guide for the task order surveillance.

- Standardized PWS
- Task order “Required Services Matrix”
- COR surveillance records<sup>14</sup>
- Defense Contract Management Agency (DCMA) LOGCAP QASP<sup>15</sup>

However, the documents, even when combined, did not provide the CORs with the information needed to meet FAR Subpart 46.4 requirements for a QASP. Specifically, the documents did not specify all work that required surveillance or the method of surveillance. The Defense Acquisition University<sup>16</sup> states methods of surveillance include an applicable mix of:

- contractor metrics;
- random sampling;
- periodic inspection;
- 100-percent inspection;
- customer feedback; and
- third-party audits, as appropriate that are specified to monitor contractor performance and quality.

...the documents, even when combined, did not provide the CORs with the information needed to meet FAR Subpart 46.4 requirements...

<sup>14</sup> This document is also known as “Army Contracting Command, Africa LOGCAP IV Examination Record.” It assesses the contractor’s adherence to standards set forth in the base contract and task order.

<sup>15</sup> DCMA provided contract administration services for the LOGCAP contracts before task order 0013 was awarded and developed the QASP document as part of their administration procedures.

<sup>16</sup> The Defense Acquisition University provides training to the Defense Acquisition Workforce, including the required training to meet Defense Acquisition Workforce Improvement Act (Public Law 101-510, as amended) certification levels. The Defense Acquisition Workforce Improvement Act required the DoD to establish a process through which persons in the acquisition workforce would be recognized as having achieved professional status.

### ***PWS Was Not Specific to the Task Order and Lacked Methods of Surveillance***

The standardized PWS was an overarching document that was not specific to TO 0013.<sup>17</sup> Technical Exhibit H.1: “Performance Requirement Summary” was a section contained in the standardized PWS that identified the contractor’s performance standards.<sup>18</sup> The standardized PWS and Technical Exhibit H.1 both listed all work the contractor could potentially perform under the LOGCAP task order, but they did not specify work that required surveillance or methods of surveillance for TO 0013.

### ***Required Services Matrix Was Incomplete and Lacked Methods of Surveillance***

Although Technical Exhibit A.1, “Required Services Matrix”<sup>19</sup> was specific to the task order, it did not include all work performed by the contractor or a method of surveillance. For example, according to the PCO, the contractor was required to drill wells at six Ebola treatment units, as seen in the Figure below. The PCO did not include the well work in the required services matrix. In addition, the matrix did not include methods of surveillance for any listed work; it only listed the reference to the PWS for the service requirement and performance standards.



<sup>17</sup> The standardized PWS becomes specific to the task order when used in conjunction with the Technical Exhibit A.1, “Required Services Matrix.” However, because the required services matrix is not contained in the standardized PWS, and is a separate excel spreadsheet created specifically for TO 0013, we considered the required services matrix to be a separate document from the PWS.

<sup>18</sup> Performance standards establish the performance level required by the Government to meet the contract requirements.

<sup>19</sup> The required services matrix identifies the specific performance requirements in the standardized PWS activated for each site under TO 0013.

***COR Surveillance Records Did Not Include all Work That Required Surveillance or Methods of Surveillance***

Although the COR surveillance records were specific to TO 0013, they did not include all work that required surveillance or methods of surveillance. For example, the Technical Exhibit A.1 contained 19 different performance standards that detailed contractor work at the Barclay Training Center. However, the COR surveillance record for that site included information on only one of those performance standards.

The surveillance records also did not include the method of surveillance. The 414th CSB official stated that the CORs were required to complete the surveillance records once per month to document their surveillance results; however, the records did not specify how the CORs were to accomplish the surveillance or how often they were to perform surveillance for each requirement.

***DCMA QASP Needed to Specify all Work That Required Surveillance or Methods of Surveillance***

The DCMA QASP did not specify all work that required COR surveillance or the method of surveillance. According to the Defense Acquisition University, a QASP should directly correspond to the performance objectives and standards specified in the PWS. It should also detail how, when, and by whom the Government will survey, observe, test, sample, evaluate, and document contractor performance results to determine whether the contractor has met the required standards for each PWS objective.

According to DCMA personnel, they did not develop the document as a QASP for LOGCAP, as required by Federal regulations, but more as a quality assurance standard operating procedure or a technical desk guide. In addition, the DCMA QASP did not specify all work that required surveillance or the method of surveillance for TO 0013. It only required the CORs to perform surveillance every 1 to 4 weeks, depending on the risk level of the contract. It did not detail what the surveillance would consist of or how the CORs would perform the examination.

***PCO Considered Other Documents as Adequate Replacement for QASP***

The PCO stated that she was not responsible for developing the QASP and instead provided the CORs, through the 414th CSB officials, with: the standardized PWS; the task order “Required Services Matrix;” COR surveillance records; and the DCMA LOGCAP QASP. However, as previously stated, these documents did not meet the FAR requirements for a QASP and were not sufficient for the CORs to conduct surveillance and report on the contractor’s performance.

FAR subpart 46.10320 states that the contracting officer is responsible for receiving from the requiring activity any specifications for inspections, testing, and contract quality requirements essential to ensure the integrity of the supplies or services. Defense Federal Acquisition Regulations Supplement (DFARS) subpart 246.4<sup>21</sup> also states that the contracting officer should prepare a QASP to facilitate assessment of contractor performance for service contracts. Although the PCO may obtain information from the requiring activity or require them to develop the QASP, the PCO is ultimately responsible for QASP development.

A QASP is the key Government-developed surveillance document used to manage contractor performance. It ensures that the COR has adequate methods to validate that the contractor's efforts are timely, effective, and meet the task order requirements. Therefore, a task order-specific QASP that aligns with the task order PWS is necessary for the CORs to understand the work that requires surveillance, the method of surveillance, and how to assess contractor performance for the task order.

...the recommendation was not fully implemented since TO 0013 did not have a QASP specific to the task order.

A similar finding is contained in a previous DoD Inspector General (DoD IG) report.<sup>22</sup> Specifically, the audit team determined that the LOGCAP PCO did not develop a task order specific QASP, but instead used an overall QASP that did not contain metrics to evaluate the contractor's work associated with the task order. The team recommended that the LOGCAP PCO develop a QASP for each task order and the Deputy to the Commander, Army Sustainment Command–Rock Island, concurred with the recommendation.

The LOGCAP PCO created a QASP for the specific task order reviewed during that audit. However, the recommendation was not fully implemented since TO 0013 did not have a QASP specific to the task order. The Executive Director and PARC for the ACC–Rock Island should issue guidance that requires all PCOs to create a QASP specific to each task order issued under LOGCAP.

## The CORs Could Not Perform Comprehensive Reviews of Contractor Performance

The six CORs included in our nonstatistical sample could not perform comprehensive reviews of contractor performance because they were not trained appropriately, provided an adequate QASP, or provided other pertinent documents

<sup>20</sup> FAR Subpart 46.103, "Contracting Office Responsibilities."

<sup>21</sup> DFARS Subpart 246.6, "Government Contract Quality Assurance."

<sup>22</sup> DoD IG Report No. DODIG-2011-032, "Logistics Civil Augmentation Program Support Contract Needs to Comply With Acquisition Rules" January 7, 2011.

needed to perform contract surveillance. For example, all six CORs stated that they did not have all needed surveillance documentation or the contract when performing their COR duties. One COR stated that he created a checklist based on his experience and knowledge of what had to be completed. According to AR 70-13<sup>23</sup>, the contracting office will ensure CORs receive a copy of the contract, QASP, and other pertinent documents before they start their COR responsibilities. The 414th CSB was delegated this responsibility; however, the CORs did not receive all documents as shown in Table 2.

Table 2. Documentation Provided by 414th CSB officials to CORs for Contractor Surveillance

CORs	Contract	Standardized PWS	Required Service Matrix	DCMA QASP	Surveillance Records
1	No*	Yes	Yes	No*	No
2	No*	No*	Yes	No*	No*
3	No*	No*	No*	No*	No
4	No	No	No	No	No
5	Yes	Yes	Unknown	No*	No
6	No*	Yes	Yes	Yes	No

No—CORs were not provided the document or not provided the document before they started their COR duties.

Yes—CORs were provided the document before they started their COR duties.

\* Documentation was never received.

This increased the risk that the Army paid for goods or services that did not meet contract performance standards. As of August 24, 2015, the Army has paid \$27.6 million to the contractor. The Commander 414th CSB, PARC, should develop procedures that require the ACOs to provide pertinent documents to the CORs before appointment so that they have adequate guidance to perform their duties.

Lessons Learned

The contractor started site preparation and construction on at least 2 of the 11 sites before the CORs were on location to perform contractor surveillance. For example, the contractor daily status reports stated that Force Provider site preparation began at one site on October 9, 2014. According to the COR appointed to the site, she did not start surveillance until October 17, 2014. As a result, the contractor worked on the site for 8 days without any COR oversight. Upon arrival at the site, the COR noted concerns with the contractor meeting

<sup>23</sup> AR 70-13, "Management and Oversight of Service Acquisitions," July 30, 2010.



scheduled completion and delivery dates. Between the two sites, the contractor performed 26 days of work without COR surveillance. We understand that in a contingency environment, 414th CSB officials' need to balance the requirement to meet contractor oversight requirements while swiftly achieving mission's goals. Therefore the Commander 414th CSB, PARC should develop procedures that outlines alternate contractor surveillance methods, in accordance with DoD policy, if the COR is unable to perform contractor surveillance until they are on site.

## Recommendations, Management Comments, and Our Response

### ***Recommendation 1***

**We recommend the Commander, 414th Contracting Support Brigade, Principal Assistant Responsible for Contracting, develop procedures that:**

- a. Require administrative contracting officers to verify that contracting officer's representatives with adequate experience are identified before the contract work begins and require them to take contracting officer's representatives training before leaving for deployment or obtain training waivers in accordance with DoD guidance.**

#### *Executive Deputy to the Commanding General, Army Materiel Command*

The Executive Deputy to the Commanding General, AMC, responding for the Commander, 414th CSB, PARC, acknowledges that the OUA operational factors may have prevented CORs from finishing all required training before nomination and the provisioning of applicable documents before appointment. However, the 414th CSB personnel and the ACOs worked to correct the deficiencies as quickly as possible. In addition, the Commander, 414th CSB, PARC, in coordination with the ACOs and the Joint Forces Command, made risk-based choices to appoint and employ CORs at the numerous locations. The Executive Deputy stated that 414th CSB personnel made appropriate decisions to mitigate risk to the forces and mission.

The Executive Deputy further stated that the 414th CSB Customer Handbook identifies the need to nominate, identify, train and appoint CORs before contract execution. The 414th CSB, PARC, will make sure contracting officers document the waiver in accordance with DoDI 5000.72, even if operational factors occur.

### *Our Response*

Comments from the Executive Deputy did not address the specifics of the recommendation. We understand that the 414th CSB Customer Handbook requires the appointment of CORs before contract award. However, the 414th CSB personnel did not follow the CSB Customer Handbook during OUA. As a result, we recommended that procedures be developed that require administrative contracting officers “verify” that experienced and trained CORs are identified before contract work begins. The Executive Deputy did not address how the administrative contracting officers would make that verification. Therefore, we request that the Commander, 414th CSB, PARC, provide comments on the final report.

- b. Require administrative contracting officers to provide pertinent documents to the contracting officer’s representatives prior to appointment so that they have adequate guidance to perform their duties.**

### *Executive Deputy to the Commanding General, Army Materiel Command*

The Executive Deputy to the Commanding General, AMC, responding for the Commander, 414th CSB, PARC, agreed, stating that relevant contract documentation is needed for CORs to complete their job. In addition, 414th CSB personnel are working closely with the ACC–Rock Island LOGCAP Branch and LOGCAP Program Management Office to make the oversight procedures and documentation better for both the ACO and the COR.

### *Our Response*

Comments from the Executive Deputy addressed all specifics of the recommendation, and no further comments are required.

- c. Outline alternate contractor surveillance methods, in accordance with DoD policy, if the contracting officer’s representative is unable to perform contractor surveillance until they are on site.**

### *Executive Deputy to the Commanding General, Army Materiel Command*

The Executive Deputy to the Commanding General, AMC, responding for the Commander, 414th CSB, PARC, agreed, stating that the Commander, 414th CSB, PARC, would make sure contracting officers document alternative methods or modify the QASP in accordance with DoD policy if operational factors prevent the CORs from performing on-site surveillance.

### *Our Response*

Comments from the Executive Deputy partially addressed the recommendation. The intent of our recommendation is to ensure implementing procedures are in place for future contingency operations. The Executive Deputy did not specifically address developing implementing procedures and, therefore, we request that the Commander, 414th CSB, PARC provide comments on the final report.

## **Recommendation 2**

**We recommend the Executive Director and Principal Assistant Responsible for Contracting for the Army Contracting Command–Rock Island issue guidance that requires all procurement contracting officers to create a Quality Assurance Surveillance Plan specific to each task order issued under the Logistics Civil Augmentation Program.**

### *Executive Deputy to the Commanding General, Army Materiel Command*

The Executive Deputy to the Commanding General, AMC, responding for the Executive Director and PARC for ACC-Rock Island, partially agreed. The Executive Deputy stated that the Executive Director and PARC for the ACC-Rock Island will create guidance that requires all PCOs to receive a QASP from the requiring activities prior to contract award. The ACC-Rock Island guidance will be issued no later than December 1, 2015. However, the Executive Deputy disagreed with the recommendation that the PCOs should create a QASP citing FAR subpart 46.103 as support. Specifically, FAR subpart 46.103 states the activity responsible for technical requirements is responsible for prescribing contract quality requirements, such as a QASP for service contracts.

### *Our Response*

Although the Executive Deputy disagreed in part with the recommendation, the requirement that all PCOs obtain a QASP for each task order satisfied the intent of the recommendation. No further comments are required.

## Appendix

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### Scope and Methodology

We conducted this performance audit from December 2014 through October 2015 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.

To accomplish our objectives, we reviewed COR files and compared them to the FAR, DFARS, and PWS for completeness and accuracy. To determine whether CORs were experienced, properly trained, and properly designated, we compared documentation contained in the COR files with the relevant criteria from the FAR and DFARS. We reviewed a nonstatistical sample of 6 COR files from the 21 CORs whom the 414th CSB officials appointed to oversee the contractor's work on the task order.

We interviewed personnel who administered and provided oversight for the task order, to include the:

- PCO;
- 414th CSB ACOs;
- CORs;
- Quality Assurance Representative;
- U.S. Army Africa, Chief of Staff;
- 414th CSB Commander; and
- Defense Contract Audit Agency.

We reviewed the following criteria.

- FAR Subpart 1.6, "Career Development, Contracting Authority, and Responsibilities," as of March 2005
- FAR Subpart 16.3, "Cost-Reimbursement Contracts," as of March 2005
- FAR Subpart 46.4, "Government Contract Quality Assurance," as of March 2005
- DFARS Subpart 246, "Quality Assurance," as of October 29, 2010
- AR 70-13, "Management and Oversight of Service Acquisitions," July 30, 2010

## Use of Computer-Processed Data

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

## Prior Coverage

During the last 5 years, the GAO and the DoD IG issued three reports discussing LOGCAP contracting and oversight. Unrestricted GAO reports can be accessed at <http://www.gao.gov>. Unrestricted DoD IG reports can be accessed at <http://www.dodig.mil/pubs/index.cfm>.

### **GAO**

Report No. GAO-12-290, "Operational Contract Support: Management and Oversight Improvements Needed in Afghanistan," March 2012

Report No. GAO-11-580, "Contingency Contracting: Observations on Actions Needed to Address Systemic Challenges," April 25, 2011

### **DoD IG**

Report No. D-2011-032, "Logistics Civil Augmentation Program Support Contract Needs to Comply With Acquisition Rules," January 7, 2011



## Management Comments

### Department of Army Comments



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

AMCIR

15 Oct 2015


MEMORANDUM FOR Department of Defense Inspector General (DoDIG),  
[REDACTED]

SUBJECT: Command Comments on DoDIG Draft Report: Army Needs to Improve Contract Oversight for the Logistics Civil Augmentation Program's Task Orders (Project No. D2015-D000RE-0101)

1. The U.S. Army Materiel Command (AMC) has reviewed the subject draft report and the U.S. Army Contracting Command (ACC) response. AMC endorses the enclosed ACC response.

2. The AMC point of contact is [REDACTED]  
[REDACTED]

Encl

  
LISHA H. ADAMS  
Executive Deputy to the  
Commanding General

## Department of Army Comments (cont'd)



REPLY TO  
ATTENTION OF:

DEPARTMENT OF THE ARMY  
U.S. ARMY CONTRACTING COMMAND  
3334A WELLS ROAD  
REDSTONE ARSENAL, AL 35898-5000

AMSCC-XO

SEP 28 2015


MEMORANDUM FOR [REDACTED]  
[REDACTED]

SUBJECT: DoDIG Draft Report, Army Needs to Improve Contract Oversight for the Logistics Augmentation Program's (LOGCAP) Task Orders (Draft Audit Report No. (D2015-D000RE-0101.000) (D1514) (3017)

1. Memorandum and Draft Report, DoDIG, Draft Report, "Army Needs to Improve Contract Oversight for LOGCAP Task Orders (Project No. D2015-D000RE-0101.000).
2. The Army Contracting Command (ACC) concurs with the enclosed Expeditionary Contracting Command (ECC) and Army Contracting Command-Rock Island (ACC-RI) comments.
3. The ACC POC is [REDACTED]  
[REDACTED]

Encl

  
MICHAEL R. HUTCHISON  
Deputy to the Commanding General

Printed on  Recycled Paper

## Department of Army Comments (cont'd)



REPLY TO  
ATTENTION OF

**DEPARTMENT OF THE ARMY**  
414<sup>th</sup> Contracting Support Brigade  
Expeditionary Contracting Command  
Unit 31423 Box 77  
APO AE 09630-1423

23 September 2015

CCEC – AF

MEMORANDUM FOR Internal Review and Audit Compliance Office, [REDACTED]

SUBJECT: Response to Request for Comments on (Tasker 3017) (D1514) DoDIG  
Draft Report D2015-RE-0101 Audit of Contract Oversight for Logistics Civil  
Augmentation Program's Task Orders Supporting Operation United Assistance

1. The 414<sup>th</sup> Contracting Support Brigade (CSB) provides the subject enclosed response.
2. The point of contact for this action is [REDACTED]

Enclosure-  
Command Comments

A handwritten signature in black ink, appearing to read "Christine A. Beeler".  
Christine A. Beeler  
COL, LG  
Commanding

## Department of Army Comments (cont'd)



CCRC

UNCLASSIFIED

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

September 25, 2015

REPLY TO  
ATTENTION OF:

MEMORANDUM FOR [REDACTED]

SUBJECT: DODIG Audit Report Project No. D2015-D000RE-0101.000

1. Reference DODIG Audit Draft Report U.S. Army Needs to Improve Contract Oversight of the Logistics Civil Augmentation Program's Task Orders, issued September 18, 2015, Project No. D2015-D000RE-0101.000.
2. We have reviewed the subject audit draft report and recommendation. Our response is provided in the attached document.
3. [REDACTED]

Encl

JOHNSON.MELAN  
IE.A. [REDACTED]

Digitally signed by  
JOHNSON.MELANIEA

MELANIE A. JOHNSON  
Principal Assistant Responsible  
for Contracting

UNCLASSIFIED

## Department of Army Comments (cont'd)

414<sup>TH</sup> CSB COMMAND COMMENTS  
In Response to Request for Comments  
On DoDIG Audit Report D2015-D000RE-0101.000  
DoDIG Audit of Contract Oversight for Logistics Augmentation Program's (LOGCAP)  
Task Orders Supporting Operation United Assistance

**414<sup>th</sup> Response to Recommendation 1a:**

**Concur:** The 414<sup>th</sup> Contracting Support Brigade (CSB) Customer Handbook and mission specific operations orders and annexes for contract management identify the need for identification, nomination, training and appointment of contracting officer's representatives well in advance of contract execution. In the event that operational factors result in a deviation from published procedures, the 414<sup>th</sup> CSB, Principal Assistant Responsible for Contracting will ensure that contracting officers document the waiver in accordance with DoDI 5000.72 dated March 26<sup>th</sup> 2015.

**414<sup>th</sup> Response to Recommendation 1b:**

**Concur:** The 414<sup>th</sup> CSB agrees that pertinent contract documentation is necessary for contracting officer's representatives to perform their duties. The command is working closely with the LOGCAP Program Management Office and Army Contracting Command – Rock Island LOGCAP Branch to improve oversight procedures and documentation for both the Administration Contracting Officer and the Contracting Officer's Representative.

**414<sup>th</sup> Response to Recommendation 1c:**

**Concur:** In the event that operational factors prevent the contracting officer's representatives from performing on-site surveillance, the 414<sup>th</sup> CSB, Principal Assistant Responsible for Contracting will ensure that contracting officers document alternate methods or adjustment to the Quality Assurance Surveillance Plan in accordance with DoD policy.

**414<sup>th</sup> General Response to Recommendation 1:**

The 414<sup>th</sup> Contracting Support Brigade (CSB) is committed to working with our operational customers to ensure that contract management plans, contract integration plans, and contract support plans are prepared and followed for all contingencies and operations where the 414<sup>th</sup> CSB has lead service for contracting, is the cognizant contracting office or is the delegated contract administration office for an external support service contract such as the AFRICOM Regional LOGCAP task order. These plans include the need for identification, nomination, training and appointment of Contracting Officer's Representatives (CORs) well in advance of contract execution. Additionally, the 414<sup>th</sup> CSB is working closely with the LOGCAP Program Management Office and Army Contracting Command – Rock Island LOGCAP branch to improve quality and oversight processes and documentation procedures.

We acknowledge that during Operation UNITED ASSISTANCE operational factors such as qualified personnel availability, the compressed planning and execution timeline,



## Department of Army Comments (cont'd)

### 414<sup>TH</sup> CSB COMMAND COMMENTS

In Response to Request for Comments

On DoDIG Audit Report D2015-D000RE-0101.000

DoDIG Audit of Contract Oversight for Logistics Augmentation Program's (LOGCAP)

Task Orders Supporting Operation United Assistance

complexity of the operational environment, lack of communications connectivity, and the scope of requirements placed on the LOGCAP task order may have prevented CORs from completing all mandatory on-line training prior to nomination and the provisioning of all applicable documents associated with the task order prior to appointment. The 414<sup>th</sup> CSB Principal Assistant Responsible for Contracting in coordination with the Joint Forces Command (JFC) and the ACOs on the ground made risk based decisions to appoint CORs and employ them at the various locations as quickly as possible. The 414<sup>th</sup> CSB and the ACOs worked to rectify the training deficiencies and missing documentation as quickly as possible. In view of the fact that that the Army was attempting to get ahead of an Ebola epidemic humanitarian crisis with global consequences, the 414<sup>th</sup> CSB made appropriate decisions in conjunction with the JFC to mitigate risk to forces and risk to mission.

Contracting enabled the JFC to bend the infection curve from exponential to zero; ensured that over 1,539 Health Care Workers could be trained; oversaw 10+ Ebola Treatment Units being built; and enabled 7 Mobile Labs to process 4,709 Samples. Due in a significant part to these efforts, the Ebola virus was contained much quicker than anticipated and all contracting personnel were able to re-deploy within ten months.

## Department of Army Comments (cont'd)

**Recommendation #2:** The Executive Director and Principal Assistant Responsible for Contracting for the Army Contracting Command–Rock Island issue guidance that requires all procurement contracting officers to create a Quality Assurance Surveillance Plan (QASP) specific to each task order issued under the Logistics Civil Augmentation Program.

**Response #2:** Concur in part. The Executive Director and Principal Assistant Responsible for Contracting for the Army Contracting Command–Rock Island (ACC-RI) will issue guidance that requires all procurement contracting officers to obtain a Quality Assurance Surveillance Plan (QASP) from the requiring activities prior to awarding contracts.

ACC-RI non-concurs with the recommendation that procurement contracting officers should “create” a Quality Assurance Surveillance Plan (QASP). In accordance with FAR 46.103, Contracting Offices are responsible for:

(a) Receiving from the activity responsible for technical requirements any specifications for inspection, testing, and other contract quality requirements essential to ensure the integrity of the supplies or services (the activity responsible for technical requirements is responsible for prescribing contract quality requirements, such as inspection and testing requirements or, for service contracts, a quality assurance surveillance plan).

FAR 46.401 further states, “Quality assurance surveillance plans should be prepared in conjunction with the preparation of the statement of work.”

Thus, the Executive Director and Principal Assistant Responsible for Contracting for the Army Contracting Command–Rock Island (ACC-RI) agrees a QASP should be obtained prior to award and will issue guidance NLT December 1, 2015 requiring all procurement contracting officers obtain a Quality Assurance Surveillance Plan (QASP) from the requiring activities prior to awarding contracts.

## Acronyms and Abbreviations

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<b>ACO</b>	Administrative Contracting Officer
<b>ACC</b>	Army Contracting Command
<b>AR</b>	Army Regulation
<b>COR</b>	Contracting Officer's Representative
<b>CSB</b>	Contracting Support Brigade
<b>DCMA</b>	Defense Contract Management Agency
<b>DFARS</b>	Defense Federal Acquisition Regulations Supplement
<b>DoD IG</b>	DoD Inspector General
<b>FAR</b>	Federal Acquisition Regulation
<b>LOGCAP</b>	Logistics Civil Augmentation Program
<b>OUA</b>	Operation United Assistance
<b>PARC</b>	Principal Assistant Responsible for Contracting
<b>PWS</b>	Performance Work Statement
<b>PCO</b>	Procurement Contracting Officer
<b>QASP</b>	Quality Assurance Surveillance Plan
<b>TO 0013</b>	Task Order 0013

# **Whistleblower Protection**

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