

GOVERNMENT CONTRACTING SHOULD BE A CORE COMPETENCE FOR U.S. MILITARY PERSONNEL

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The time has come for the U.S. military to change its culture and make government contracting a core competence for its personnel, both civilian and military. This Carlisle Paper examines further needed steps and ways in which the U.S. military can change its culture and make government contracting a core competency.

Outsourcing has reached unprecedented levels during Operation IRAQI FREEDOM (OIF) and Operation ENDURING FREEDOM (OEF). Although significant outsourcing occurred in prior contingency operations, never has the scale been so large for so long. Political decisions made over decades to “shrink” the size of the Federal Government (Government) increased the occurrence of outsourcing. This trend to downsize Government, however, has done nothing to reduce the work the Government must undertake. In other words, the work the Government must do has not actually decreased. Thus, there is a gap between the work to be done, and the amount of government personnel available to do this work. Thus, much of this work necessarily is outsourced. In order to properly award, manage, and administer these contracts, Government acquisition personnel are needed. However, the number of Government acquisition personnel has decreased over time. Without sufficient personnel with acquisition management expertise to deploy in theater, oversight has been deficient—leading to significant waste, fraud, and abuse.

To address these concerns, Congress created the Commission on Wartime Contracting (Commission) to study the acquisition process in OIF and OEF. In

August 2011, the Commission published its Final Report containing findings and recommendations to prevent the acquisition mistakes in OIF and OEF from recurring. A principal concern is that the U.S. military needs to increase the number of acquisition experts, change its culture, and treat government contracting as a core competency.

In order to institutionalize acquisition as an agency core function, a culture change is needed. Agencies need to recognize that contractors are an integral and essential part of contingency operations personnel. Thus, acquisition experts who administer contracts, allocate resources, and demand accountability need to permeate throughout the planning and training aspects of agencies. Until agency contracting is seen as a viable career option, the best and the brightest may choose to gravitate elsewhere. Consequently, the Department of Defense and the Services will fail to invest in service contracting infrastructure and core competencies.

The Commission recommended that an effective way to change a culture is to add a contracting directorate, J10, as a Joint Staff function. Removing government contracting from its subordinate role in the Logistics directorate, J4, effectively will integrate acquisition into the joint planning process. Thus, a General/Flag officer would lead this directorate and could more easily coordinate and share information with other Joint Staff directorate leaders. Without creating a new directorate, operational contracting efforts will be perpetually vulnerable to budget cuts and potentially lose acquisition personnel in

key areas. Without elevating positions and creating career advancement for personnel, expertise will not be developed in acquisition management. Those promoted to high positions to run acquisitions generally will not have had experience in these areas prior to their appointment.

Without contracting becoming its own J10 directorate, acquisition as it is addressed in planning will suffer. Joint planning is undertaken utilizing, among other things, the Joint Operations Planning Process (JOPP), Operational Design (Design), and Joint Strategic Capabilities Planning (JSCP). The coordination and agency structures are established through the Joint Staff directorates. Without having a champion outside of the J4 Logistics directorate, the way contracting is evaluated during planning in contingency operations is unlikely to change because the culture and ethos of the Services will remain unchanged. The Joint Staff, however, disagrees with the recommendation to add a J10 Staff Directorate, stating it is not feasible, given the current effort to reduce the number of flag officers and not add new structure to the Joint Staff.

To address outsourcing concerns further, the Office of Federal Procurement Policy issued Policy Letter 11-01 on the "Performance of Inherently Governmental and Critical Functions." The Letter provides strategic-level guidance to federal agencies to assess risk and accountability when outsourcing. Although the Letter provides helpful guidance, it is only a first step in addressing the significant problems the Final Report identified. Specifically, instead of principally looking at cost considerations when deciding whether to outsource, the Commission recommends a risk-based approach using risk factors to weigh contracting decisions. Some functions may create undue risk and thus should not be contracted out regardless of whether outsourcing reduces costs. The Letter, in its

original form, included a type of risk-based approach, but that language was unfortunately dropped in the Letter's final version.

Although the Letter addresses some concerns expressed in the Final Report, other important findings and recommendations the Commission made are unlikely to become part of the U.S. Army's ethos unless more action is taken beyond the Letter. Both the Letter and the Final Report recognize the significant need for additional acquisition personnel to manage contract administration in contingency operations. However, to increase such personnel, congressional funding is required, and agencies cannot address this problem on their own. This funding is needed to authorize positions to create solid career paths for such experts.

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