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# United States Senate

COMMITTEE ON  
HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS  
WASHINGTON, DC 20510-6250

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July 12, 2017

Robert M. Speer  
Acting Secretary  
U.S. Army  
101 Army Pentagon  
Washington, DC 20310-0101

Dear Acting Secretary Speer:

I am writing to request information from the U.S. Army (Army) regarding its efforts to evaluate and improve contracting operations.

On June 22, 2017, the Government Accountability Office (GAO) released a report conducted at my request regarding Army contracting, specifically addressing impediments in the process which prevent the Army from properly evaluating and improving contracting operations.<sup>1</sup> The Army relies extensively on its contracting operations to execute its mission, obligating more than \$74 billion on contracts to acquire a wide range of products and services in 2016 alone. In recent years, Army has had challenges executing contract operations, resulting in the extensive use of bridge contracts. These sole source contracts decreased competition and increased the risk that the Army was overpaying for products and services.<sup>2</sup>

In an effort to identify these challenges, GAO examined the Army's contracting operations, specifically assessing the extent to which Army leaders have evaluated (1) the efficiency and effectiveness of contracting operations and (2) the impacts of organizational changes on contracting operations. To conduct this audit, GAO reviewed numerous past reports regarding Army contracting and guidance, including the Gansler Commission Report on Army contracting issued in 2007, a 2013 report on Army contracting commissioned by the Office of the Assistant Secretary of the Army (Acquisition, Logistics, and Technology) (ASA(ALT)), and documentation of Army decisions to change organizational structures.<sup>3</sup> GAO also interviewed

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<sup>1</sup> U.S. Government Accountability Office, *Army Contracting: Leadership Lacks Information Needed to Evaluate and Improve Operations* (GAO-17-457) (June 22, 2017).

<sup>2</sup> U.S. Government Accountability Office, *Sole Source Contracting: Defining and Tracking Bridge Contracts Would Help Agencies Manage Their Use* (GAO-16-15) (Oct. 14, 2015).

<sup>3</sup> The Gansler Commission, Report on Army Acquisition and Program Management in Expeditionary Operations, *Urgent Reform Required: Army Expeditionary Contracting* (October

contracting professionals and personnel responsible for overseeing Army contracting operations in the ASA(ALT).<sup>4</sup>

GAO concluded that Army leadership has taken a relatively narrow view of the Army's contracting operations by primarily focusing on ensuring that contracting officers obligate funding before it expires. This effort has in effect promoted a "use or lose" perspective and deemphasized the efficiency and effectiveness of contracting operations. This leads to a number of problems, including a failure to systematically assess the timeliness of contract awards and potential cost savings. Additionally, Army has not identified whether there is a sufficient workforce to meet contracting needs, resulting in a situation where Army leadership does not have the quantitative data necessary to determine whether the Army has the capacity to operate in an efficient and effective manner. It also results in senior leaders responsible for contracting activities not assessing the quality of contractors' products and services in a systematic manner.<sup>5</sup>

GAO has made eight recommendations to Army leadership to help it obtain information needed to evaluate and improve contracting operations. The recommendations incorporate a number of steps that the ASA(ALT) and the Deputy Assistant of the Army (Procurement) (DASA(P)) can take, including establishing Contracting Enterprise Review (CER) metrics, establishing deadlines for implementing guidelines, establishing a methodology to calculate savings, identifying effective means for data collection, accurately determine the Army's contracting workforce requirements, documenting actions and providing feedback, and ensuring Army leaders establish measurable objectives for organizational changes. One specific recommendation is that the ASA(ALT) and DASA(P) establish and implement CER metrics to evaluate the quality of contractors' products and services.

In order to better understand the Army's response to the contracting issues raised in the report and its response to GAO's recommendations, please provide a written response to the following questions not later than July 28, 2017:

1. What specific actions is the Army taking to implement the recommendations?
2. The Army did not fully concur with GAO's recommendation to establish and implement CER metrics to evaluate the quality of contractors' products and services. Does the Army believe that it can engage in meaningful oversight without quality metrics? If so, how?

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31, 2007); Cenesco Consulting Group, *Army Contracting Organization: Structure and Authorities* (July 2013).

<sup>4</sup> U.S. Government Accountability Office, *Army Contracting: Leadership Lacks Information Needed to Evaluate and Improve Operations* (GAO-17-457) (June 22, 2017).

<sup>5</sup> *Id.*

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3. What specific actions is the Army taking to address the concerns raised in the report regarding the Army's failure to assess the timeliness of contract awards and cost savings attributable to contracting activities?
4. What specific actions is the Army taking to address the concerns that it does not have a large enough workforce to meet the department's contracting needs and the correlative quantitative data needed to make those decisions?

If you have any questions please contact Sarah Garcia with my staff at (202) 224-2627 or Sarah\_Garcia@hsgac.senate.gov. Please send any official correspondence related to this request to Amanda Trosen at Amanda\_Trosen@hsgac.senate.gov. Thank you for your prompt attention to this matter.

Sincerely,



Claire McCaskill  
Ranking Member

cc: Ron Johnson  
Chairman