



Wartime Contracting hearing will probe federal oversight of billions in services contracts

ARLINGTON, VA, April 14, 2010 – Improving the federal government’s planning and oversight of billions of dollars in services contracts for Southwest Asia operations will be the focus of an April 19 hearing by the independent federal Commission on Wartime Contracting in Iraq and Afghanistan.

Contracts for logistical support, translation, maintenance, security and other services are estimated to total \$80 billion over the past five years in Iraq and Afghanistan. Services contracts account for nearly two-thirds of contracts in Southwest Asia, and are mostly managed by the U.S. Army.

The congressionally chartered Commission is concerned that the Army still lacks adequate resources for planning, managing, and overseeing services contracts that are critical to the success of military operations.

“Congress specifically required improved management and coordination of service contracts in the National Defense Authorization Acts for fiscal years 2002 and 2006,” said Co-Chairman Michael Thibault, “but it appears that the Army has not responded effectively to this direction.”

Co-Chairman Christopher Shays said, “Army oversight seems to have a serious gap in reviewing contracts between \$100 million and \$1 billion in value. Part of the problem is inadequate staffing, and the result is our government is missing opportunities to ensure better definition of contract requirements, check performance, and apply best business practices to contracts.”

The co-chairs said the hearing will also probe the issue of contractors’ possibly becoming involved in “inherently governmental” functions while using force or making decisions involving other contractors.

The hearing will begin at 9:30 a.m. Monday, April 19, in Room 106 of the Dirksen Senate Office Building in Washington, DC.

Two panels of witnesses will testify. The first panel will comprise Shay Assad, Director of Defense Procurement and Acquisition Policy, Department of Defense; Lt. Gen. William Phillips, principal military deputy to the Assistant Secretary of the Army (Acquisition Logistics and Technology); and Edward Harrington, Deputy Assistant Secretary of the Army (Procurement).

The second panel will comprise witnesses from the contractor sector. The Commission has requested testimony from AEGIS, a security-services contractor; CACI, a contractor that provides support for the military’s Joint Contracting Command-Iraq/Afghanistan; and AECOM, which provides program-management support for contract performance in Southwest Asia.

Congress created the Commission in 2008 (Public Law 110-181) to examine contingency contracting for reconstruction, logistics, and security functions, and to recommend improvements. Co-chairs are Michael Thibault and Christopher Shays; other members are Clark Kent Ervin, Grant Green, Robert Henke, Katherine Schinasi, Charles Tiefer, and Dov Zakheim. The Commission website is www.wartimecontracting.gov.