

**STATEMENT BY**

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COMMANDER, DEFENSE CONTRACT MANAGEMENT AGENCY  
INTERNATIONAL**

**BEFORE THE**

**COMMISSION ON WARTIME CONTRACTING  
FOR IRAQ AND AFGHANISTAN**

**ON**

**ENSURING CONTRACTOR ACCOUNTABILITY:  
PAST PERFORMANCE AND SUSPENSION & DEBARMENTS**

**FEBRUARY 28, 2011**

**HOLD UNTIL RELEASED BY THE  
COMMISSION ON WARTIME CONTRACTING**

## INTRODUCTION

Good morning Chairman Thibault, Chairman Shays, and Commissioners. My name is Rear Admiral Robert J. Gilbeau, and I am the Commander of the International Directorate for the Defense Contract Management Agency (DCMA). Thank you for the opportunity to come before you to participate with this panel in your examination of contractor accountability. The focus of today's hearing is contractor past performance information and the administrative suspension and debarment process. These are both areas where DCMA plays a supporting role to our contracting colleagues involved on the procurement side of the Department of Defense (DoD) Acquisition Enterprise. I will touch briefly on our support function to these two areas and then I will be pleased to receive your questions.

DCMA is an agency of the Department of Defense reporting to the Under Secretary of Defense (Acquisition, Technology and Logistics). The DCMA mission is to provide contract administration services (CAS) to the DoD Acquisition Enterprise and its partners in order to ensure delivery of quality products and services to the warfighter, on time and on cost. DCMA International performs the agency's CAS mission outside the continental United States.

The DCMA team consists of approximately 11,100 professional civilians and military located at over 700 locations around the world. DCMA is responsible for the administration of about 337,000 contracts with unliquidated obligations of over \$235 billion awarded to over 19,000 contractors. DCMA receives approximately 72,000 requests to ship goods annually and accepts approximately 750,000 shipments of supplies. DCMA also accepts some 2,062 aircraft each year with over 21,000 total flying hours and 22,000 sorties annually. We also manage over \$128 billion of government property and administer about \$31 billion in performance based payments each year.

I assumed command of DCMA International in August of 2010, and my comments reflect my observations over the last six months. I am extremely proud to lead the DCMA International team of professional civilians and military personnel situated in various locations around the world. Most relevant to this hearing, we maintain contingency Contract Management Offices (CMOs) in Iraq, Afghanistan, and Kuwait. These offices are staffed with contracting professionals from DCMA and other DoD and military service organizations, performing temporary tours of duty to administer contingency contracts in support of U.S. and coalition forces. Our contingency offices work closely with procuring contracting activities, such as the U.S. Central Command – Joint Theater Support Contracting Command and the Army Contracting Command - Rock Island, to provide coordinated contract oversight for field-level contract operations. DCMA International also operates in unison with our sister DCMA organizations located in the United States to provide comprehensive contract administration services for external support programs with performance in theater, such as the Army's Logistics Civil Augmentation Program (LOGCAP). For example, the DCMA Houston Civil Augmentation Program Group is located within our Western Region. This group provides oversight at the contractor corporate-level for LOGCAP and the Air Force Contract Augmentation Program (AFCAP), as well as Kuwait reach-back contracts. It provides direct support to the procuring contracting offices on such matters as contractor systems reviews, cost allowability determinations, and past performance information.

## **DISCUSSION**

### **1. DCMA Contingency Contract Administration Support to Contractor Past Performance Assessments**

As the Commission is aware, DCMA does not award contingency or LOGCAP-related contracts. Instead, we administer DoD contracts in theater. DCMA is nevertheless aware of its

involvement in contractor accountability, or contractor “responsibility” as discussed in the Federal Acquisition Regulation (FAR). As an agency that monitors contractor performance, DCMA is in a position through our observations and knowledge to bring critical information forward that could support an inquiry or administrative action related to contractor responsibility. While our primary focus is ongoing contractor performance, others within the DoD acquisition community can and do use information gained by us to make determinations of contractor responsibility for purposes of future contract awards. I would like to highlight how we support contractor responsibility determinations in our contingency operations.

As a general matter, DCMA reports contractor past performance information when requested by the Procuring Contracting Officer (PCO) or the Program Manager (PM). We draw this information from various sources, including DCMA product and process examinations, Corrective Action Requests (CARs), Corrective Action Plans (CAPs), and letters of concern. The PCO and PM use our input to assist them in assessing contractor performance and making responsibility determinations.

Our contingency CMOs have followed this general practice of responding to buying activity requests for past performance information. For the large, LOGCAP III and IV contracts, we have historically worked through our DCMA Houston Group to supply past performance information. For our non-LOGCAP theater-wide contracts, our field CMOs have supplied past performance information when requested by the U.S. Central Command – Joint Theater Support Contracting Command or other buying activities.

If requested by the PCO, we can provide direct input into the DoD past performance assessment systems. Depending on the location and type of contractor, our DCMA contingency

CMOs currently input both the DoD Contractor Performance Assessment Reporting System (CPARS) and the Joint Contingency Contracting System (JCCS) to report contractor performance information. CPARS is used for U.S. based contractors; whereas JCCS is focused on non-U.S. contractors. Where authorized, we upload these systems in accordance with the PCO's input requirements, which are typically every 12 months for contracts with performance in excess of one year and at the end of every contract. Our input includes information associated with our contract management data, including: cost performance reports, customer comments, quality product examinations and process reviews, technical interchange meetings, production management reviews, contractor operations reviews, and functional performance evaluations.

As of today, our personnel are inputting information into CPARS for the LOGCAP IV contractors in Afghanistan. DCMA Afghanistan began using CPARS as of January 2011 and is currently completing inputs for two LOGCAP task orders for the period of performance from July 2009 to July 2010. This is an initiative on our part, brought about with the PCO's approval and designed to strengthen our past performance support. We have not been requested to input CPARS for the LOGCAP III or IV contractors in Iraq or Kuwait. We continue to support the PCO's requests for past performance information for these contracts through our DCMA Houston Group.

We currently input information into CPARS in Iraq for non-LOGCAP contracts, and we are in the process of working with the buying activities to do so in Afghanistan where we have received the contract delegation described in Federal Acquisition Regulation (FAR) 42.302(b)(11) ("Prepare evaluations of contractor performance in accordance with Subpart 42.15"). Additionally, we input information into JCCS in Afghanistan, but we have not been requested to do so elsewhere.

To promote consistency and improve our support to contingency contracting offices, I have recently asked my field Commanders in Afghanistan, Iraq, and Kuwait to review their contracts for the FAR delegation on performance evaluations and confer with the respective PCOs to assess whether we should input to CPARS and JCCS at all locations. Until we make any adjustments, we will continue to provide past performance information upon request of the PCO or PM.

Although not associated with the formal past performance assessment systems, our contingency CMOs provide useful information during the course of ongoing contract performance. For the LOGCAP III contract, and the LOGCAP IV contract in Afghanistan and Kuwait, our field offices develop Performance Evaluation Board reports (PEBs) every two months. The PEBs identify performance information, both positive and negative, as derived primarily from monthly audits of services conducted by DCMA Quality Assurance Representatives and appointed Contracting Officer Representatives. Additional PEB input is provided from DCMA CARs, Administrative Contracting Officers (ACOs), customers (usually the camp mayors), and the contractor's self assessment. The PEB reports focus on the award fee evaluation criteria (technical, cost and management) and are compiled every six months into an Award Fee Evaluation Board (AFEB) briefing.

Our contingency CMOs provide the PEB reports and AFEB briefings to the LOGCAP PM's representative in theater and the PCO for their use in assessing performance of the LOGCAP contractors. For the LOGCAP IV contract in Iraq, however, we use a Performance Feedback Session (PFS) process instead of the PEB/AFEB because there is no award fee component in that particular Task Order effort.

For the LOGCAP contracts, DCMA also provides a weekly report on CARs issued over the previous 90-days to the LOGCAP Program Office, and we participate in quarterly “LOGCAP Days” where our field personnel brief the Program Office and PCO on contractor performance trends over the preceding 90 days.

Our DCMA Houston Group responds to requests for past performance information from PCOs for matters associated with contractor centralized systems, such as: current business systems status, Cost Accounting Standard noncompliances, financial capability, and AFEB/PEB summarized or targeted information. DCMA Houston determines what information resides in house and what information must be obtained from the theater, and prepares a consolidated response for the requesting official, typically the PCO.

When DCMA is delegated contract administration, we assume responsibility for oversight on a day-to-day basis. If there is a serious nonconformance, it is common for the ACO to notify and coordinate with the PCO and the Program Manager until the nonconformance is corrected. We retain product and process examination records, CARs and CAPs in a database for analysis and record-keeping purposes.

## **2. DCMA Support to the Administrative Suspension & Debarment Process**

The other subject of today’s hearing is the administrative suspension and debarment process. DCMA does not have a Suspension and Debarment Official (SDO). Since our mission is focused on contract administration, suspension and debarments related to contracts we administer are handled by the SDOs of the procuring contracting activities. We provide information to the Military Services and Defense Agencies that may eventually lead to the initiation of suspension and/or debarment proceedings by SDOs.

In accordance with Federal regulations, DCMA employees are required to report any instance of possible fraud or other irregularity by a contractor. We also provide fraud awareness training to our personnel; and we have a cadre of legal counsel who work closely with our contracting professionals, along with DoD criminal investigators, Federal prosecutors, and contracting offices to pursue appropriate judicial or administrative sanctions against contractors. As discussed earlier, we also make available during the course of contract administration various contractor performance information which could give rise to suspension and debarment determinations as situations warrant.

#### **SUMMARY**

In closing, I would like to thank the Commission for focusing attention on the subject of contractor accountability. DCMA appreciates the value of the information we gather through our contingency contract surveillance activities. We share that information obtained in the course of contract administration. In this way, we support the efforts undertaken within DoD to ensure contractor accountability.

Again, thank you for the opportunity to appear before the Commission.