

IS PURPLE CONTRACTING SMART CONTRACTING FOR DOD?

BY

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USAWC STRATEGY RESEARCH PROJECT

IS PURPLE CONTRACTING SMART CONTRACTING FOR DOD?

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The intent of this paper is to research strategic level improvements in the Department of Defense Acquisition field with an emphasis on domestic Contracting (contiguous U.S.). The analysis includes a review of the Gansler Commission Report on Army Expeditionary Contracting and the Joint Contracting Command – Iraq/Afghanistan as models for DoD domestic Contract improvement within mainland U.S. The analysis includes a contrast of current DoD contracting and a proposed model synonymous with a new model of Joint Contracting subordinate to the Office of the Secretary of Defense; the concept serves as an aggressive solution motivated by Senior Level officials (past and present) who have openly admitted that acquisition reform in DoD is required. Finally, the paper proposes a recommendation and provides follow-on actions required to pursue the recommended course of action.

IS PURPLE CONTRACTING SMART CONTRACTING FOR DOD?

Wisdom is the principle thing, therefore get wisdom; but in all thy getting, get understanding.

—Proverbs 4:7¹

As the fervor wrought by contract inefficiencies eventually pitched to a resounding uproar, the Gansler Commission Report was born out of necessity to repair contracting problems associated with Army Expeditionary Contracting.² Many contracting problems observed and documented in the Gansler Commission Report pertaining to contracting in overseas environments are often consistent with problems observed in the Services' (U.S. Army, Air Force, Navy, Marines and Coast Guard) contracting organizations throughout the Department of Defense (DoD).

While the Gansler Report responds to repairing Army Contracting problems, a greater and more strategic problem looms across the DoD spectrum. Our nation's strategic leaders have noted deficiencies associated with Government contracting in the contiguous United States. Jacques Gansler³ concurs with this notion in his assertion that, "defense acquisition is absolutely broken and systems take too long to field and cost too much."⁴

With multiple contracting organizations throughout DoD using the same processes, can DoD leverage this effort to create greater efficiencies in contracting as promises of acquisition reform are considered? In spite of employing the same overarching policies⁵, managing personnel through mandates of the Defense Acquisition Work Improvement Act (DAWIA)⁶ and acquiring contracting items from the same contracting pool, can DoD re-invent its acquisition structure to infuse responsiveness to facilitate Combatant Commander's needs?

In response to current economic struggles amid what is considered robust defense spending, can DoD create a reasonable return on federal spending? This paper contemplates the benefits of establishing a domestic Joint Contracting Command (JCC), a “purple contracting”⁷ organization to create efficiencies in government procurement (contracting), or continue the status quo, allowing each Service to direct its own Contracting effort.

In an effort to offer a realistic course of action, this paper endeavors to corroborate the need for contracting reform, and thereafter, provide two courses of action to consider: the status quo (current contracting) or a joint contracting scenario. Finally, this paper contrasts the varying characteristics of the courses of action, and uses the Joint Contracting Command – Iraq/Afghanistan (JCC-I/A) as a model of the proposed joint contracting scenario.

The Need for Contracting (Acquisition) Reformation in DoD

“It is imperative to have an acquisition system that is as flexible and effective as the force it serves. A modern, effective acquisition system should deliver savings and speed – savings to the tax payer and speed for the warfighters that provides them the tools and technologies they need within the time they need them. Today’s defense acquisition system fails to meet those criteria. That’s why, reform of the system is vital”.⁸ The message of mandatory acquisition reform is declared consistently in our nation’s strategic guidance and through our strategic leaders. President Obama⁹ and congress¹⁰ have both affirmed the need for DoD acquisition improvements, including the state of the federal acquisition workforce. While reform includes a plethora of areas, acquisition is one of the major areas of concern. Then Marine Corps Commandant, GEN (ret.) James Jones said, there is an urgent need for the government to explore

additional reform in DoD business processes and systems acquisition.¹¹ In addition, President Obama and Congress have declared war on cost contracts in contingencies and domestic contracting;¹² cost contracts are those in which risk is assumed by the Government.

In 2002, then Navy Secretary, Gordon England stated, “we will not make substantial progress until we completely change the system. That will require Congress to pass another Defense Reorganization Act of 1947 or the Goldwater-Nichols Act of 1986 that fundamentally addresses, strategically, how we do business and timelines.”¹³ Conceivably, establishing a Joint Contracting organization coincides with the impetus of Secretary Gordon’s message. Instituting such an organization will require congressional approval. It will completely alter DoD Contracting structure, and address the strategic execution of business acumen in DoD acquisition. Emphasizing the breadth of required reform, Secretary England reiterated acquisition reform as a “ground-up rebuilding of the DoD acquisition system.” While not totally a “ground-up” strategy, the JCC concept closely mirrors Secretary England’s notion in establishing a Joint Command that combines the acquisition function. In addition, it will require institutional ingenuity.

The United States is currently recovering from a recession.¹⁴ In spite of the economy, DoD personnel received a 3.4% pay raise for FY10¹⁵ while many Americans received pink slips. As deficits continue to spiral,¹⁶ one cannot find a better time to insist acquisition reform.

Combining inefficient organizations, revamping structures from past models, and even consolidating similar processes and organizations may serve as the ways to a

responsible end. Indicative of this motif, contracting has the potential to become the first joint acquisition organization in DoD. In fact, DoD has already begun to make inroads in transitioning contracting into a joint organization, by default. “What was once four independent Acquisition Corps – Army, Navy, Air Force, and Department of Defense- is now an integrated, single Defense Acquisition Corps. The Under Secretary of Defense for Acquisition, Technology, and Logistics (USD [AT&L]), through the newly established AT&L Workforce Senior Steering Board (SSB), will set overarching policies and requirements for Acquisition Corps membership. Eligibility criteria for the Acquisition Corps are consistent across DoD Components, while procedures to execute the criteria will be decentralized across the DoD Components.”¹⁷ Why stop there?

As a matter of tradition, the Services control a great portion of their acquisition processes, and therefore, favor their own programs, especially during years of increased defense budgets.¹⁸ However, if it is DoD’s desire to ever control spending as a matter of reforming acquisition, the sum of each Service must contribute to the whole of DoD to create efficiencies.

With respect to spiraling deficits, it is reasonable to conclude that future budget cuts in DoD are necessary in spite of President Obama’s plan for a “three-year budget freeze on discretionary spending except military and presumably other departments and agencies in the national security complex.”¹⁹ The budget proposes \$533.7 billion in 2010 for DoD, which is \$20.3 billion more than the 2009 enacted level. DoD has had serious trouble with cost growth in its weapons acquisition programs. Can we find needed financial relief in a combined – joint contracting effort that would return savings to DoD?

Reforming acquisition to create a more streamlined DoD is not a new task. In addition, “many people come to Government believing they are going to reform acquisition.”²⁰ It is an incredibly regulated activity – if you gloss over that, you really don’t have a chance of succeeding.”²¹

“Our nation’s defense suffers from a basic flaw: although, we now fight jointly, we do not buy jointly;”²² centered in that buying process is contracting. Perhaps, through a combined and consolidated effort, DoD Contracting has the potential to minimize Service parochialism, decrease acquisition timelines and decrease costs associated with contracting through a Joint effort focused on achieving synergy and more. “Ironically, the position of SECDEF was created to coordinate the Services, but 60 years later he is still hobbled by parochialism.”²³

Joint Contracting is an undertaking embedded in applied wisdom gained from obvious contracting woes, coupled with the requisite of understanding the need to coordinate a strategic level joint contracting effort; it is, debatably, long overdue. Assuming DoD contracting continues operating in the same fashion, it is likely that DoD will see similar problems as those found in the Gansler Commission report.

Does DoD Contracting resemble Expeditionary Contracting?

The Gansler Commission Report’s investigation concluded that Army Expeditionary Contracting had the following deficiencies: increased workload, increased complexity, increased tempo, declining capability and questionable Army Acquisition Management.²⁴ As a result, essential segments of the institutional army had not adapted, inadequate training and poor leadership invited fraud, the Army lacked Expeditionary Contracting skills, Army management did not recognize the importance of Contracting, regulations were inadequate for Expeditionary Operations, the Army did

not recognize complexity of Contracting, and the Army's contracting organizational structure and chain of command was inadequate.²⁵ The report concluded by making four major recommendations:

1. Increase the stature, quantity, and career development of the Army's Contracting Personnel, Military and Civilian
2. Restructure organization and restore responsibility to facilitate contracting and contract management in Expeditionary and CONUS Operations
3. Provide training and tools for overall Contracting Activities in Expeditionary Operations
4. Obtain legislative, regulatory, and policy assistance to enable contracting effectiveness in Expeditionary Operations²⁶

While the Gansler Report provides a detailed analysis as directed by the Secretary of the Army (for the army), this paper will consider two major recommendations offered by the commission: Restructure the organization and consolidate and repair regulatory policies to institute repair and reform. A review of current DoD contracting is necessary to envision the need for reform.

Current DoD Contracting

Today, almost every military installation in the U.S. has a Contracting organization (center, squadron, directorate, group, etc); contingent upon the varying missions, some installations, such as Bolling Air Force Base, have two contracting organizations.²⁷ They are purposed to acquire services, supplies (commodities), and construction for the installation and mission requirements, to include tenet activities and organizations located within given regions (see Table 1).²⁸

Implementation of contracting takes place through (mainly) adherence of the Federal Acquisition Regulation (FAR) and the Defense Federal Acquisition Regulation

Supplement (DFARS). Personnel career management is conducted through adherence to the Defense Acquisition Work Improvement Act (DAWIA) of 1992 and supporting guidance. In addition, each service component maintains its own supplement to coordinate its pre-determined Service Component needs (e.g. Army Federal Acquisition Regulation Supplement (AFARS)).

To date, there are multiple Contracting Organizations (Centers, Directorates, Squadrons, etc.) in DoD, distinguished between the U.S. Army, Air Force, Navy and Marines on supporting installations. Their members have similar organizational structures, require the same training to serve as Contracting professional, and attend the same DoD Contracting Schools (primarily, Defense Acquisition University (DAU)).

Existing contracting organizations have minor differences, however, the same outcomes. All contain a divergence of contracting skills (Levels I, II and III), with level III Contracting Officers having the greatest skills, the highest warrants and the highest grades (usually).²⁹ They are comprised of some form of a heterogeneous mixture of service, commodities, and construction sections, often composed of buyers and administrators. They also contain reviewers, government purchase card section, and systems administrators.

In order to gain a better appreciation for potential process improvements, it is necessary to contrast the current DoD Contracting establishment (Service Component Contracting Model) and the proposed DoD Joint Contracting establishment as it relates to the issues cited above, to include other internal contracting processes. The following table depicts a sampling of Service Contracting Organizations:

CRITERIA	ARMED FORCES		
Service:	Army	Air Force	Marines
Location:	Contract Center of Excellence (CCE) Alexandria, VA	11 th Contracting Squadron (11 CONS) Washington, DC	Quantico Regional Contracting Office Quantico, VA
Organization Structure: Services 95%	• Alpha Team • Delta Team • Legal • Customer Liaison • Small Business	• Civil En Support Flight • Base Operational Support Flight • Small Business • Legal	• Alpha Branch Services • Bravo Branch Commodities • Charlie Branch Construction • GPC Branch • PPQM • Small Business • Legal
Personnel:	122	45	65
Automation:	PD ² / e-darts	PD ² / AF Form 9	PD ² / NAVCOMPT
Regulations:	FAR, DFARS, ARFARS	FAR, DFARS, AFFARS	FAR, DFARS, NMCARS
Training:	Defense Acquisition University, Army Logistics Management College (ALMC)	Defense Acquisition University, Air Force Institute of Technology (AFIT)	Defense Acquisition University, Navy Post Graduate School
Management:	Colonel	Lieutenant Colonel	GS-15

Table 1: Service Contracting Organizations

Table 1 illustrates the differences in the names and how each organization is configured. However, it does not show that these organizations are congruent in their execution. Congruency is found in the use of the same contracting writing tool (PD2), use of the same overarching policy (the FAR and DFAR), and the predominant school for training Acquisition personnel (Defense Acquisition University). While the names of the organizations, organizational structure, numbers of personnel, and grade of Commander/Director appears different, the organizations function in like manner.

Organizational Structures

Analyzing contracting organizational structures reveals similarities which a Joint Command may eliminate as a result of identifying redundant processes. In support of Service Component installation management, contracting organizations are usually co-located within the same geographical areas as supported customers, throughout the U.S. Contracting organizations report to their perspective higher level contracting agencies which serve as their authorities for coordinating Contracting policy and establishing thresholds for awarding and reviewing potential contracts.

The 11th Contracting Squadron (11th CONS) is assigned to Bolling Air Force Base (BAFB). It provides contracting support to units located on BAFB and tenet activities. The following is descriptive of its major characteristics:

- **Human Capital** – A squadron consisting of approximately 45 personnel (military and civilian) with a mixture of Level I, II and III DAWIA certified Contracting Officers and Specialists. Separated by five (5) contracting sections
- **Information Technology** – Uses the Procurement Data Base (PD2 or PD²), also, known as “PD squared” to write contracts; requirements submitted manually or electronically via Air Force Form 9 via the Automated Business Services System
- **Policies and Procedures** – Uses FAR, DFAR and AFFARS and additional Air Force policies and procedures; also adheres to ancillary DoD policies

The Contracting Center of Excellence (CCE) provides contracting support to organizations located in the Pentagon, Crystal City and other areas in the Military

District of Washington. Primarily, writes/administers service contracts. The following is descriptive of its major characteristics:

- **Human Capital** - A Center of Excellence consisting of approximately 122 personnel (military and civilian) with a mixture of Level I, II and III DAWIA certified Contracting Officers and Specialists. Separated by two (2) contracting sections. Commanded by a Colonel
- **Information Technology** – Uses PD2 to write contracts; requirements submitted, almost always, electronically via application called e-darts and acquiline
- **Policies and Procedures** - Uses FAR, DFAR, AFARS and additional Army policies and procedures; also adheres to ancillary DoD policies

The Quantico Regional Contracting Office provides contracting support to the US Marines and tenet activities located at Quantico Marine Base, VA. The following is descriptive of its major characteristics:

- **Human Capital** – Regional Contracting Office consisting of approximately sixty-five (65) personnel (military and civilian) with a mixture of Level I, II, and III DAWIA certified Contracting Officers and Specialists
- **Information Technology** - Uses PD2 to write contracts; requirements submitted, almost always, electronically via application called PRWeb (acquiline)
- **Policies and procedures** - Uses FAR, DFAR, Navy Marine Corps Acquisition Regulation Supplement (NMCARS), and additional Navy/Marine policies and procedures; also adheres to ancillary DoD policies

Service contracts across DoD are generally similar in nature and usually perform the same functions. As indicated in Table 1, the sampled contracting organizations serve as installation/regional contracting organizations acquiring service, supply and often construction contracts using an array of fixed and cost contracts.³⁰

Policies and Procedures

Redundancy and duplicated contracting policies continue to permeate throughout DoD Services, delaying contract award and increasing complexity of the acquisition process. “The Federal acquisition system is governed by over 20 different statutes,³¹ nearly 2,000 pages of Federal Acquisition Regulations (FAR), and thousands of pages of agency regulations. DoD has the Defense Federal Acquisition Regulation Supplement (DFARS),”³² and each Service maintains its own supplement (US Army – Army FARS, USAF – Air Force FARS, and USN and USMC – NMCARS). “On top of this is an enormous body of administrative law decisions handed down by administrative law judges and common law decisions handed down by the Federal Courts. As new decisions are handed down, new protests filed, new lawsuits brought, and new issues raised, contracts get longer and longer, and the bidding and award process gets more and more complicated.”³³ As a result, Contracting Officers can easily find themselves mired in completing otherwise simple contract actions in an attempt to research multiple policies which are often duplicated, redundant or conflicting.

If contracting is governed by the same overarching policy, why does DoD continue to create segmented policies governing intra-Service related Contracting policy? Although dysfunctional, the execution of internal policy is understood as each Service must maintain relevant contracting policy to incorporate instructions and directives absent of directives in the FAR/DFARS. Establishing one set policy through a

JCC would serve as a viable course of action for codifying a mutual regulatory standard, simultaneously, reducing regulatory redundancy.

If established, the JCC would eliminate the need for Services' supplemental contracting policy including: the AFARS, AFFARS and NMCARS. Even in the case where Services would maintain organic contracting structure, DoD could still assert its authority to discontinue additional Service related Contracting policy. One may even consider the need to incorporate existing service's contracting policy into DFARS. In so doing, DoD can reap the benefits of using only two (2) major Contracting guidelines – the FAR and DFARS.

Human Capital

“The Acquisition Advisory Panel, chartered by the Services Acquisition Reform Act of 2003, estimated that about 50 percent of the acquisition workforce will reach retirement eligibility by 2010. If realized, these retirements will deplete the Government's ranks of those skilled in planning, awarding, and managing the acquisition of mission critical supplies and services.”³⁴ Necessary process repairs, in contemplation of such losses, are very relevant in considering the need for a JCC versus the status quo (Service Contracting Organizations). The JCC concept may require fewer Contracting personnel while the status quo will require increased personnel to replace retiring personnel; these numbers, perhaps, are absent of considering the numbers required to expedite the ongoing transformation and the Army Force Generation (ARFORGEN)³⁵ processes.

All contracting personnel (military and civilian) are subject to the standard as determined by DAWIA. Thus, a transition to a JCC model will have little to no impact on Contracting personnel technical skills. However, the initial transition would require

immense change, with service organizations surrendering positions to a joint manning document to build the JCC construct.

Information Technology

All Contracting organizations above use PD2 as the principle contracting writing tool. However, varying software is used to complete the requirements determination process; a clear example of wasting Government spending. Why do Service Contracting organizations use different tools when the end state is indistinguishable and all are subordinate to DoD?

The establishment of a JCC would mitigate the need to develop, modify and fund differing requirements determination/automation tools. Since all Services use PD2, transition to a JCC model would not require additional training. In addition, all would have access to similar contracting files not readily available as a result of “fire-walled” Service Contracting. Continuing the status quo Service Component Contracting structure, perhaps, represents a deliberate display of bureaucratic inefficiencies through a vicious cycle of duplication (regulations, organizations, automation, etc.) that has long minimized synergism in the Contracting profession.

When U.S. Air Force, Navy and Marine Contracting Officers deploy in support of JCC-I/A, they must adhere to Army practices, given the Army is the executive agent responsible for directing the JCC-I/A.³⁶ The irony associated with the JCC-I/A is that the U.S. Air Force and Navy were the first commanders of the JCC-I/A, and more recently, Army Contracting Personnel have served as Commanders. Deployments in operations have the potential to become greatly simplified if all Contracting personnel, irrespective of component, deployed with the same skills as a result of standard practices gained from working in a CONUS Joint Contracting environment.

Because all Service Contracting organizations use the similar policy and personnel are governed by DAWIA, it is absolutely conceivable that DoD would greatly benefit from establishing the first official purple organization recognized in DoD. The JCC-I/A serves as a verifiable organization to emulate.

Joint Contracting Command – Iraq/Afghanistan (JCC-I/A)

The JCC-I/A models many advantages of establishing a domestic JCC in the U.S. It is a joint service coordinated effort purposed to acquire supplies, services and construction contracting requirements for coalition forces in support of Operations Enduring Freedom (OEF) and Iraqi Freedom (OIF). It is comprised of a Headquarters and Regional Contracting Commands (RCC) to include the Multinational Security Transition Command (MNSTC) and Theater Wide, both responsible for writing and administering, in general, complex contracts.

Its Human Capital consists of a heterogeneous mixture of DoD military and civilian personnel deploying from all services. The Commanders (past and present) of JCC-I/A have included acquisition General Officers from the Air Force, Navy and Army (respectively). In addition, all DAWIA levels of contracting certification are required. Incoming Contracting Officers are assigned leadership positions and warranting authority based on the individual's existing level of DAWIA certification and years of credible experience in contracting when deployed. The service component as a criterion for determining warranting and leadership positions is, for the most part, irrelevant.

Information technology is consistent across JCC-I/A. In 2007/2008, JCC-I/A transitioned from an improvised desktop Microsoft Word contracting writing tool to the current Service standard, PD2. Its requirement determination tool was an automated

system developed in cooperation with the finance, employing the use of a U.S. Army Form DA 3953 (Purchasing Request & Commitment).³⁷ To extend continuity of effort and support customers throughout the supported region, JCC-I/A employs use of the Joint Contingency Contracting System (JCCS), purposed to provide accessibility and visibility to potential and existing customers.³⁸

Policy and procedures are, also, consistent throughout JCC-I/A. Incoming Contracting personnel are required to adhere to policies and procedures as determined by the Commander. The main policies set forth include those contained in the FAR, DFARS, and the JCC-I/A Standing Operating Procedures (SOP).³⁹

While instituting a JCC in the U.S. may seem comparable to a “quantum leap” feat in the realm of a government bureaucracy, it is nonetheless practical. Changing the classic model of DoD legacy organizational structure is critical to moving forward on a joint course of action. More importantly, the JCC concept has the potential to clearly streamline policies and procedures, grow and educate Human Capital, while incorporating identical information technology equipment. Perhaps, painting a picture of a proposed JCC can provide an opaque reference point.

DoD's Proposed Joint Contracting Command

“The merits of a joint acquisition force, regardless of organizational design, are enhanced efficiency, reduced cost, and complete interoperability as a minimum.”⁴⁰ The creation of a Joint Service Component Contracting Command (JSCCC or JSC³), Joint Service Regional Contracting Commands (JSRCC), and Joint Service Regional Contracting Satellites (JSRCS) makes possible a synchronized, DoD Joint Contracting effort that invites the following:

- Greater efficiency

- Less Cost
- Greater interoperability⁴¹

The chart below (Figure 1) represents a proposed Joint Contracting Command model.

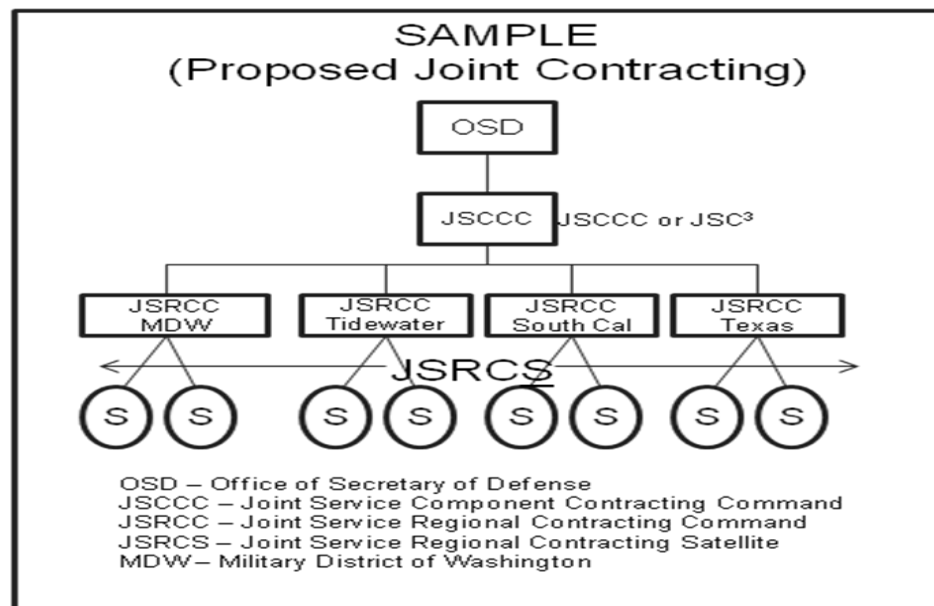


Figure 1 – Sample of Proposed Joint Contracting Command

Figure 1 envisions a domestic Joint Service Component Contracting Command subordinate to or located within the Office of the Secretary of Defense (OSD). It has several regional commands to serve large military populated areas and several regional satellite areas to extend support to rural areas.

The establishment of a Strategic Level Contracting Command, such as Figure 1, does not totally negate the use of Service Component Contracting. This paper does not assert total disbandment of Service Component Contracting organizations, nor is it representative of a DoD Contracting panacea. It merely seeks to address the possible need for establishing DoD Joint Contracting; “purpleness”, if would, to create synergism through implementation of interoperable processes and procedures where practicable.

Determining the right mix of contracting personnel remaining organic to Services is an action identified much later in this process.

Candidates for Joint Contracting are those Service Component Contracting organizations located in major hubs of influence (centered near areas where multiple military installations are co-located – see Figure 2).

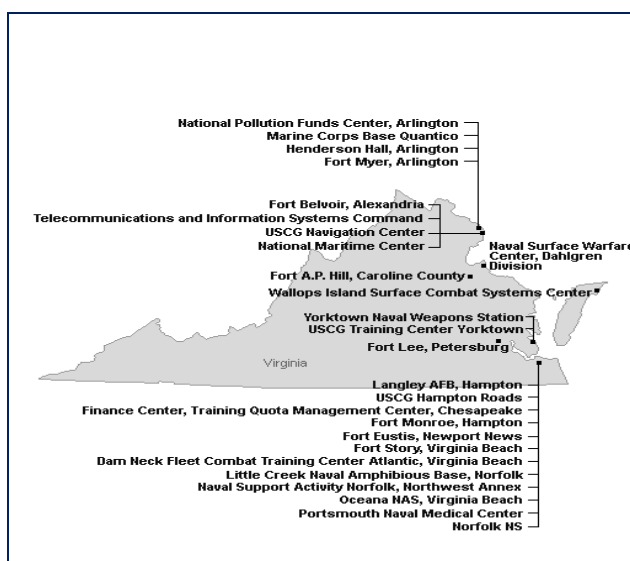


Figure 2 – Military Installations in Virginia

Figure 2 represents an easily recognized problem associated with current contracting. Within this hub of influence, 14 DoD installations (Air Force, Army, Navy, Marines and Coast Guard) are co-located (within a 40-mile radius). The greatest number of installations is represented by the U.S. Navy with 6 installations. Consistent with service parochialism, a contracting organization is co-located on each installation.⁴² It is difficult for leaders to assume these organizations are synergistically sound. Joint contracting organizations could perform the same feat as multiple separate contracting organizations while managing U.S. taxpayer's interests, instituting similar contracting policy and procedures, while employing use of similar information technologies. In

addition, all military and civilian personnel regardless of Service affiliation could function in joint positions as the contracting processes are the same, and individual's skill sets and grades are unchanged as all are consistent with DAWIA. The major reductions and benefits include the number of personnel required, a consolidated contracting effort which minimizes a contractors' ability to cause contracting organizations to compete against each other, and a centralized contracting organization that supports the geographical area.

The JCC offers various reasons for reorganizing DoD acquisition to create the "ultimate" purple contracting command. However, there are several impediments to consider in the architecture of this plan.

Impediments to Establishing DoD Joint Contracting Command (JCC)

Undoubtedly, extracting organic Contracting capabilities from Service Components to establish a JCC is a daunting task. When viewing history as the dictum to determine the probability of Services' enthusiasm in participating in a plan that extracts its forces to establish a joint manning document for a JCC, one should realistically anticipate unyielding pessimism.

Arguably, the greatest impediment to overcome in establishing a JCC is found in Service Component parochialism. While DoD is purposed to fight, defend, win in support of the nation, DoD remains functionally separate. "The world is integrated and linked except for DoD, which is still isolated."⁴³ "Frustration in the Defense Department stems from a culture that says each service must have all its own capabilities and cannot depend on other services to provide it."⁴⁴

Robert Carey, Navy CIO, insisted that "there is a need to synchronize—across the board—requirements, policy and acquisition."⁴⁵ GEN (ret.) Kevin P. Byrnes, Army,

argued that inherent with the joint fight, the army starts with a preconceived notion of the Army's roles and missions. This tendency, he adds, is a part of service culture, not just the Army's, and it inhibits real innovation and collaboration.⁴⁶

If not managed, service parochialism in acquisitions tends to favor Services without regard to the overall mission. Secretary England (Navy – 2001), recognized that an acquisition system must provide the necessary incentives for better business practices, while also ensuring money is spent wherever it is needed the most.⁴⁷ Otherwise stated, funds must follow the acquisition trail that “defends the United States of America, not so much for the Navy, so much of the Army, so much for the Air Force.”⁴⁸ Simple concepts such as these may counter the argument of continuing to operate Service Component Contracting Organizations. The JCC concept is purposed for acquiring supplies, services and construction requirements for all DoD entities irrespective of Service.

Cost Impact

Establishing a JCC will, without doubt, comes with a hefty price tag as it will require the creation of a new command, infrastructure, single policy, automation, and incorporating the Human Capital by developing Joint positions – extracting from current DoD population; that is just the beginning.

Purchasing hardware and software is imperative in creating interface and functionality within the Joint Contracting Command. Assuming that DoD will need to purchase a requirements determination software package, establishing systems to write and receive contracts may result in excess extravagance. As aforementioned, all Service Contracting organizations already use PD2 as the predominant contracting writing tool. However, JCC will need to develop an automated requirements

determination tool used to deliver customer requirements to Contracting); currently, all Services use different tools. While one cannot accurately determine the cost associated with purchasing this requirement, it is reasonable to conclude that JCC will need to acquire funds to purchase the software.

Summary

Other substantive impediments to establishing a JCC are found in the argument that Services are capable of making the necessary corrections by “increasing education and training for the acquisition workforce and institutionalizing continuous learning for acquisition professionals.”⁴⁹ While true, these enhancements will not impact redundancy issues.

In addition, DoD has employed use of Contractors to serve in Contracting Offices. Contracting offices substantiate the use of Contractors by asserting their use as Contracting Specialist without ever providing authority to serve as Contracting Officers. Use of Contractors in this capacity abides well with the status quo and serves as an impediment to JCC as contractors may temporarily increase DoD Service Contracting Offices, thereby not impacting the need to increase the DoD workforce. However, “the expanded role of contractors in the workplace has led to calls to rethink how we deal with a blended or multi-sector workforce... that has blurred some boundaries.”⁵⁰

A valid impediment against establishing a Joint Contracting Command is found in history relating to many attempts to change policy in the past. The recently signed acquisition regulation – DoDI 5000.2 – represents one more of approximately 20 past attempts at reforming acquisition, but it is unlikely to spawn real reform for two reasons:

it does not address historical reasons for cost overruns in a systematic manner, nor does it shorten weapons development durations.”⁵¹

As earlier mentioned, many have made heroic attempts in improving current acquisition problems. “Defense secretaries have put their weight behind various reform initiatives, but the long term results of those efforts have been dismal.”⁵² Senator John McCain (R-Arizona) assisted in writing new acquisition-reform law which intends to bring about more fixed-price contracts.⁵³ Solutions such as these may appeal to strategic leaders. Repairs such as these may have a great impact as other policy reforms in the past. However, strategic leaders continue to emphasize aggressive and innovative change. Undoubtedly, the JCC model serves that purpose, as it is by nature, progressive, audacious, and radical in scope of change in comparison to how DoD recognizes a subordinate, functional organization.

In spite of the previously approved DoD 5000-series acquisition regulation (FY 2003), industry questioned whether or not real change had been achieved (policy changes).⁵⁴ While it is arguably true that policy changes have improved contracting process, it is unclear as how much new policy changes have improved acquisition processes. The JCC would inject, perhaps, the perception of “radical” change on a large scale by changing the bureaucracy, managing Human Capital through one Joint entity and governing said policy from that entity (JCC).

Today, DoD continues to search for overarching solutions leading to a better acquisition system. Obviously, it is realistic to assume that “certain Service elements may reject the establishment of a JCC, especially when armed with the knowledge that

establishing the JCC would reposition organizations, human capital, and infrastructure from Service Contracting organizations to the JCC.

Process improvements in determining Strategic Level Contracting improvement in DoD is not simplistic in nature as it represents a total change in the current Service Component Contracting paradigm. Organizational Change would require significant cooperation and action between service contracting organizations with leadership coming from the Office of the Secretary of Defense (OSD). The need for reform in DoD Contracting is critical, and OSD must manage the process. When will a Joint Contracting Command receive the time and effort of consideration deserved? Only time will tell as we must, now, prepare for the future.⁵⁵

Conclusion/Recommendations

In spite of the difficulties associated with establishing a Joint Contracting Command, the analysis suggests enormous benefits in pursuing the Joint Command course of action. Measuring the effectiveness of a consolidated acquisition force at the present time is difficult. Although, commonality exists between the respective Services' Acquisition Corps, there are many outstanding issues requiring resolution prior to a joint command's inauguration.⁵⁶

The JCC will not serve as a total panacea to all of DoD's acquisition problems. However, upon implementation, it has great promise in rectifying existing strategic contracting problems. Senior leaders, repetitiously, have acknowledged the need to reform DoD acquisition. Establishing the first purple DoD organization will require tenacity, coupled with assertive, yet cooperative personalities to affect this kind of change. Process improvements in determining Strategic Level Contracting improvement in DoD is not simplistic in nature as it represents a total change in the

current Service Component Contracting paradigm. Organizational Change would require significant cooperation and action between service contracting organizations with leadership coming from the Office of the Secretary of Defense (OSD). The need for reform in DoD Contracting is critical and OSD must manage the process.

“Success requires the cultivation of an integrated, mission-focused acquisition workforce with program and project managers and contracting professionals who are responsible and accountable.”⁵⁷ Developing this course of action will require, perhaps, years of planning, strategizing, developing, organizing and funding as the end state is subject to a bureaucracy, a major paradigm change and funding to support the change. We can do this. If purple contracting is smart enough for JCC-I/A, it is just as smart for DoD domestic contracting.

Endnotes

¹ Holy Bible, King James Version, Proverbs

² Report of the “Commission on Army Acquisition and Program Management in Expeditionary Operations”. The United States Army Home Page, http://www.army.mil/docs/Gansler_Commission_Report_Final_071031.pdf (accessed October 19, 2009).

³ Dr. Jacques S. Gansler, Chairman, former (1998) Under Secretary of Defense (Acquisition, Technology & Logistics). Served as the Chairman, the Gansler Commission Report.

⁴ Ann Roosevelt, “Fixing Defense Acquisition Key To Joint Warfighting,” *Defense Daily*, no. 238 (June 2008): in ProQuest (accessed March 10, 2010).

⁵ Overarching policies refer to the Defense Acquisition Work Improvement Act, Defense Acquisition, Technology, and Logistics Workforce Education, Training, and Career Development Program (DoD Directive 5000.52) Reissues DoD Directive 5000.52 and updates policies and responsibilities for an education, training, and career development program for the DoD Acquisition, Technology, and Logistics (AT&L) Workforce; Operation of the Defense Acquisition, Technology, and Logistics Workforce Education, Training, and Career Development Program (DoD Instruction 5000.66), Implements and provides uniform guidance for managing positions and career development of the Acquisition, Technology, and Logistics (AT&L) Workforce.

⁶ Office of the Law, ⁶ <http://uscode.house.gov/download/pls/10C87.txt> (accessed March 10, 2010)

⁷ Jaimy S. Rand, "Transition to jointness: An analysis and appraisal of consolidating service acquisition personnel into a joint acquisition force", *Air Force Journal* 23, no. 3 (Fall 1999): 7, in ProQuest (accessed March 22, 2010).

⁸ Deputy Defense Secretary, William J. Lynn III, "Budget, Acquisition Reforms Reflect New Direction in Defense," Annual Joint Warfighting Conference, Virginia Beach, VA, May 15, 2009, cited by Defense & Security News

⁹ The Department of Defense Homepage, <http://www.defense.gov> (accessed March 22, 2010)

¹⁰ Ibid.

¹¹ GEN(ret) James Jones, "Urgent need for Defense Business and Acquisition Reform," *Defense Daily* 209, no. 46 (March 2001): in Proquest (accessed March 10, 2010).

¹² The Government Executive Home Page, <http://www.govexec.com> (accessed March 22, 2010)

¹³ Hunter Keeter, "England Calls for Complete Overhaul of DOD Acquisition System" *Defense Daily* 216, no.1 (October 2004): 4, ProQuest (accessed March 10, 2010).

¹⁴ Michael Fratantuono, "Recession or Depression," briefing slides, Carlisle, PA, Dickinson College, October 22, 2009.

¹⁵ *The Military Benefits Home Page*, <http://www.military.com/benefits/military-pay/2010-military-pay-charts> (accessed March 22, 2010).

¹⁶ Fratantuono, Recession or Depression, briefing slides.

¹⁷ Chairman, AT&L Workforce Management Group, Office of the Under Secretary of Defense (Acquisition, Technology, and Logistics), President, Defense Acquisition University, signed by Mr. Frank J. Anderson, Jr., "Issuance of the AT&L Workforce Desk Guide," memorandum for Army Acquisition Workforce.

¹⁸ Jim Cooper and Russell Rumbaugh, "Real Acquisition Reform", *Joint Forces Quarterly* 55, (Spring 2009), in ProQuest (accessed February 17, 2010).

¹⁹ *The Cato Home Page*, http://www.cato.org/pub_display.php?pub_id=11170 (accessed 17 February 2010)

²⁰ Special Note: acquisition used interchangeably with contracting and/or program management

²¹ The Defense & Security News Home Page, <http://www.defencetalk.com/defense-official-outlines-hurdles-in-defense-acquisition-reform> (accessed February 17, 2010)

²² Jim Cooper and Russell Rumbaugh, "Real acquisition reform", *JFQ/Issue* 55, no. 4 (Spring 2009): 09, in ProQuest (accessed March 2009)

²³ Ibid.

²⁴ Gansler Commission Report, "Commission on Army Acquisition and Program Management in Expeditionary Operations," 14-19

²⁵ Ibid., 20-43

²⁶ Ibid.

²⁷ MAJ Frederick Lacey, Deputy Commander, Air Force National Capital Region Contracting, telephone interview by author, March 22, 2010.

²⁸ Information included in the chart was extracted from the following: 1. Marines (similar in organization and function to the USN) - information was derived from the Regional Contracting Center located in Quantico, VA. Information was provided by the Deputy, Director and a Contracting Specialist, Ms. Sharon Edwards; 2. Army – information provided by COL Simpson, Director, Contracting Center of Excellence, and information extracted from the CCE website (<http://dccw.hqda.pentagon.mil>, (accessed on March 15, 2010); 3. Air Force – information provided by the 11th Contracting Squadron (CONS), Ms Kennedy, Bolling Air Force Base, MD. The table is made available to contrast varying Service's Contracting organizations.

²⁹ Anderson, Memorandum, "A Desk guide for Acquisition, Technology, and Logistics Workforce Career management", 14.

³⁰ *The Federal Acquisition Regulation Homepage*, <https://www.acquisition.gov/far/> (accessed January 2010). Contracts are generally identified as fixed price or cost contracts. Fixed price contracts are usually desired by DoD as risk to perform is placed on the contractor. Cost contracts are used when DoD requiring activities cannot clearly determine its need. Therefore, the risk is borne by the government. Cost contracts, by nature, are more expensive and complex.

³¹ Referenced statutes include: the Armed Services Procurement Act of 1947, the Federal Property and Administrative Services Act of 1949, the Small Business Act of 1958, the Truth in Negotiations Act of 1963, the Office of Federal Procurement Policy Act of 1974, the Competition in Contracting Act of 1984, the Federal Acquisition Streamlining Act of 1994, and the Federal Acquisition Reform Act of 1996. Quoted in passage by Bernard Carreau, "Outsourcing Civilian Capabilities and Capacity."

³² Carreau, Bernard, "Outsourcing Civilian Capabilities and Capacity", Joint Processes and Landpower Development, Vol II. (US Army War College, 2010). 316.

³³ Ibid.

³⁴ Edward Girovasi, "Building an Acquisition Workforce to Meet Mission Objectives," *Public Manager* 36, no.4 (Winter 2007/2008): 56-60, in ProQuest (accessed March 11, 2010).

³⁵ The United States Army Home Page, <http://www.army.mil/aps/07/addendum/h.html> (accessed March 22, 2010).

³⁶ *The Electronic Code of Federal Regulations Home Page*, <http://ecfr.gpoaccess.gov/cgi/t/text/text> (accessed March 22, 2010). JCC-I/A designated as an Army entity.

³⁷ DA Form 3953, Purchase Request and Commitment, www.army.mil/USAPA/eforms/pdf/A3953.PDF (accessed Feb 28, 2010).

³⁸ *Joint Contingency Contracting System Home Page*, <https://www.rebuilding-iraq.net>, (accessed Feb 28, 2010).

³⁹ Information derived from personal experiences while serving in the Joint Contracting Command – Iraq/Afghanistan from December 2007 – June 2008. Policy information was extracted from (then) existing SOPs and other JCC-I/A internal policies.

⁴⁰ Rand, “Transition to jointness: An analysis and appraisal of consolidating service acquisition personnel into a joint acquisition force,” 5.

⁴¹ Ibid.

⁴² *The Military.com Home Page*, <http://www.military.com> (accessed October 2009).

⁴³ Roosevelt, “Fixing Defense Acquisition Key to Joint Warfighting, Officials Agree,” 2.

⁴⁴ *The Defensetalk Home Page*, <http://www.defensetalk.com/defense-official-outlines-hurdles-in-defense-acquisition> (accessed March 2010).

⁴⁵ Roosevelt, “Fixing Defense Acquisition Key to Joint Warfighting, Officials Agree,” 2.

⁴⁶ Kevin Byrnes, “Accelerating Transformation,” *Army Military Module*, 53; no. 2 (February 2003): 27, in ProQuest (March 2010).

⁴⁷ Keeter, “England Calls For Complete Overhaul of DoD Acquisition System,” 1.

⁴⁸ Ibid., 6.

⁴⁹ Phillips Business Information Corporation, “Cohen: More to Acquisition Change Than Cutting People,” *Defense Daily* 199, no. 15 (April 1998): 1, in ProQuest (accessed March 2010). Quoted by Jacques Gansler.

⁵⁰ Girovasi, “Building an Acquisition Workforce to Meet Mission Objectives,” 56-60.

⁵¹ William Bishop, “Pentagon Acquisition Rules Exacerbate Problems,” *National Defense* 93, (May 2009): 18-19, in ProQuest (accessed March 10, 2010).

⁵² Ibid.

⁵³ Emelie Rutheford, “Mullen: New Law Not End of Acquisition Reforms Needed At DoD,” *Defense Daily* 243, no. 54 (September 2009): 1, in ProQuest (accessed March 10, 2010).

⁵⁴ Hunter Keeter, "Revised DoD Acquisition Policies Analyzed For Substantive Change," *Defense Daily* 218, no. 34 (May 2003): 1, in ProQuest (accessed March 10, 2010)

⁵⁵ Rand, "Transition to Jointness: An analysis and appraisal of consolidating service acquisition personnel into a joint acquisition force," 9.

⁵⁶ Ibid.

⁵⁷ Girovasi, "Building an Acquisition Workforce to Meet Mission Objectives," 56-60.

