COMMANDER’S EMERGENCY RESPONSE PROGRAM: THE FUTURE OF ARMY CONTRACTING

BY

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This paper examines some of the areas needing improvement in the Commander’s Emergency Response Program (CERP), a major weapon in the local commander’s arsenal for stability operations. It explains why a confluence of recent events—updated doctrine, the publication of the Gansler Commission Report, and the creation of the Army’s Expeditionary Contracting Command (ECC)—have created a unique opportunity. This is an opportunity for Army expeditionary contracting to change from its traditional general support role to a more proactive direct support role by assisting the local commander through his CERP program. The ECC must evolve its organizational structure to complement this new role and develop doctrine to employ their subordinate units that fully support the newly published doctrine for Stability Operations. This paper also discusses how these changes allow the newly formed ECC to leverage its expertise to enhance training and improve the deficient areas in the local commander’s CERP program identified by the Special Inspector General for Iraq Reconstruction (SIGIR).
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THE FUTURE OF ARMY CONTRACTING

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Disclaimer

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ABSTRACT

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COMMANDER’S EMERGENCY RESPONSE PROGRAM:
THE FUTURE OF ARMY CONTRACTING

Introduction

“Money as a Weapon System”, the title of one of the Standard Operating Procedures (SOPs) for the Multi National Corps-Iraq (MNC-I) speaks for itself. Using money and economic incentives as an element of national power to achieve your counterinsurgency goals is not an altogether new or exceptionally clever idea. However, the method by which the available money is employed to achieve the goal can be controversial and is much debated. The British military emphasizes large-scale projects in counterinsurgency operations channeling economic support through the central government and believes the American military’s recent emphasis on local projects is like constructing “the world’s most expensive camel sheds” where little thought is given to long-term sustainability.\(^1\) The key American effort known as the Anbar Awakening used taxpayer funds to employ the Sons of Iraq, previously violently opposed to American occupation, to provide security in their own neighborhoods. Many point to this program as being a major contributor to GEN Petraeus’ successful counterinsurgency campaign, commonly called the Surge, which has significantly improved security and stability across the theater. Many others believe we have merely purchased a mercenary army with loyalties up for the highest bidder.

On 11 September 2008, the Chairman of the Joint Chiefs, Admiral Mullen, concluded that “we can’t kill our way to victory”; there needs to be a renewed effort to build agriculture, economic, and education systems. In other words, military power by itself cannot achieve long-term success in Iraq, Afghanistan, or any other counterinsurgency effort. But economic incentives must be employed and leveraged appropriately in concert with other elements of national power to achieve the proper results. Early in Operation Iraqi Freedom, Ambassador Bremer emphasized “an infrastructure-heavy reconstruction program that became the largest foreign assistance effort undertaken by the United States since the Marshall Plan.”\(^2\) Over the next six years, this employment of money did not achieve the goal of a stable and democratic country, but it did lead to waste and inefficiency. A notorious example of how large-scale
infrastructure projects can go wrong is the Falluja Wastewater Treatment System, summarized below:

SIGIR’s 2008 inspection of the Falluja project found that, when finally finished, the wastewater treatment system, which was supposed to serve the entire population of Falluja, will serve a little more than a third of the city’s population, will have cost three times its original price [§65 million more than the original §32.5 million price tag], and will have been completed four years later than originally planned. Moreover, serious questions remain about whether the Iraqis can sustain the system once it becomes operational in the spring of 2009.³

The Office of the Special Inspector General for Iraq Reconstruction (SIGIR) indicates in its February 2009 report titled “Hard Lessons: The Iraq Reconstruction Experience” that US strategy has since moved away from Bremer’s unsuccessful, large infrastructure approach. The report summarizes this hard lesson as the need to “reform [the] approach to contingency relief and reconstruction operations and to develop greater capacity to execute them.”⁴

This paper attempts to learn the hard lesson for the newly formed Expeditionary Contracting Command (ECC) before their new doctrine is published by suggesting a move away from large, infrastructure contracts during the initial response and transformation phases of stability operations.⁵ The Command’s approach to contingency relief and reconstruction operations should focus primarily on developing the capacity of the contracting specialty to better support the Commander’s Emergency Relief Program (CERP), a cash infusion program that allows the local commanders to influence their local area of operations. It is not a small program, as funds appropriated in support of this effort crested §3.1 billion through Fiscal Year 2007. There are many more sources of funds available to the local commander to support this mission, but they can be daunting due to the complexity of restrictions and guidelines on their use, so commanders normally turn to CERP funds when they need to make things happen quickly. The CERP enables a local commander, with very few restrictions, “to respond to urgent humanitarian relief and reconstruction requirements within their area of responsibility by carrying out programs that will immediately assist the indigenous population.”⁶
According to the MNC-I CERP SOP, these CERP funded requirements are primarily small-scale projects employing as many Iraqi people as possible over an extended period of time while “other larger reconstruction projects are still getting off the ground.” The CERP better employs the economic weapons system in the early phases of a counterinsurgency campaign by targeting the security and stability environment at the lowest level. “CERP is a nuclear weapon; it is the asymmetrical weapon of choice,” says Colonel Mark Johnstone, deputy commander of the 173rd Airborne Brigade Combat Team, based in theater.

Many commanders share his view and consider CERP one of the most influential programs on the battlefield today; so its success needs to be strengthened and reinforced. Unfortunately, several recent SIGIR reports point to implementation and oversight issues concerning CERP requiring improved management controls to ensure its long term viability and effectiveness. As members of the ECC deployed in expeditionary environments, the unique skills of contract specialists should be leveraged to fix these issues and complement this local commander’s program at the tip of the spear, where it is of most value.

Historically, contracting specialists have been relegated to regional contracting cells in a general support role—where they are often detached from the close fight, managing overarching supply and service contracts—making them less appreciated by the warfighters at the local headquarters. This general support contracting is very important, but direct support contracting in support of CERP to improve socio-economic conditions and the security in the area of operations for the local commander’s stability operation is equally important. The ECC should organize their Contracting Support Brigades to remain relevant to the close fight by integrating more directly into the Brigade and Division staffs in order to strengthen this important program.

This paper examines some of the areas needing improvement in the CERP, a major weapon in the local commander’s arsenal for stability operations. It explains why a confluence of developments in doctrine for stability operations, the publication of the Gansler Commission Report, and the creation of the Army’s Expeditionary Contracting Command have created a unique opportunity. This is an opportunity for Army contracting to change from its traditional general support role to a more proactive direct
support role by assisting the local commander in the execution of his Stability Operation through his CERP program. This paper also discusses how these changes will allow the newly formed ECC to leverage its expertise to enhance training and improve the deficient areas identified by the SIGIR in the local commander’s CERP program.

CERP Audit Findings

Due to the significant amount of US taxpayer funds appropriated for CERP, the few restrictions put on the program, and the high visibility of the projects, SIGIR has been tasked to submit an annual audit report to promote efficiency and effectiveness in the management of the program. Unfortunately, several SIGIR reports have consistently pointed to implementation and management issues concerning this flexible program that can be broadly categorized as targeting, disbursement, documentation, transition, and lessons learned.

Targeting

Table 1 demonstrates that funds applied under CERP are being utilized to fund many expensive, large-scale projects, although they were intended to primarily target small-scale projects to fill immediate needs of the indigenous population. As indicated in Table 1, less than half (44%) of the total 18,381 projects were directed toward projects that cost $25,000 or below, accounting for just 4% of the total obligations associated with CERP funds. Roughly 8,088 small-scale projects were initiated between FY2004 and FY2007, which averages out to 2,022 projects per year or six small-scale projects per day across Iraq and Afghanistan. This number is less impressive when you consider that only 4% of the available funds were actually assigned against these small-scale projects. Contrast this to the CERP guidelines, which indicate that “the program’s undertakings should primarily be small-scale, urgent humanitarian relief and reconstruction projects for the benefit of the Iraqi people.” Based on this data, it appears local commanders could use some assistance in executing projects and ensuring that more funds are leveraged into the local economy to increase stability and security.
Table 1. Obligations associated with CERP Projects from FY2004-2007  

<table>
<thead>
<tr>
<th>Total Projects</th>
<th>Projects at or below $25,000</th>
<th>Obligations at or below $25,000</th>
<th>Projects at or above $500,000</th>
<th>Obligations at or above $500,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>18,381</td>
<td>44%</td>
<td>4%</td>
<td>2.5%</td>
<td>36.8%</td>
</tr>
</tbody>
</table>

With $3.1 billion and a small-scale goal of $25,000 or below, there are theoretically 124,456 projects that could have been initiated in this timeframe or roughly 86 projects per day between FY2004 and FY2007. The effect on the local economy would be multiplied if these 86 projects were awarded on service contracts employing multiple individuals from the local population. This amount of funding, if properly leveraged, could have employed over 200,000 individuals each year at $300 a month. Compare this to the Anbar Awakening/Sons of Iraq program where it is estimated that “91,000 are under contract with coalition forces, each receiving the equivalent of $300 in US currency a month for the security services they provide.”  

GEN Petraeus told lawmakers that the Awakening had increased security, reduced US casualties, and even saved US taxpayers money.  

“The savings and vehicles not lost because of reduced violence,” the general said in April 2008, “far outweighed the costs of their monthly contracts.” Based on this result, basic service contracting using CERP funds to employ as much of the indigenous population as possible over an extended period of time would have a similar effect for the local commander.

Table 1 also shows that 2.5% or roughly 460 large-scale projects were initiated between FY2004 and FY2007, averaging out to 1 or 2 projects per year across Iraq and Afghanistan. This small number is in line with what would be expected based on the CERP guidelines. However, when the dollar value is examined, these large-scale projects obligate over a third of the available funds. This runs counter to where the CERP funds were meant to be targeted and indicates a lack of training and experience that can lead to waste and ineffectiveness. An example:

Outside Kirkuk, in northern Iraq, an $8.3 million water treatment project completed in February with CERP funds took more than two years and was $1.7 million over budget—and it is not far from another water treatment system that USAID paid $4.1 million to build two years ago, according to a top State Department official involved in the broader reconstruction efforts.
Large-scale projects, while well-intentioned, are generally more complex, require a more experienced workforce and oversight, require a more secure environment for an extended timeframe, and are more prone to cost overruns. It is not clear whether local economies outside major cities with a less educated workforce that is more susceptible to insurgent influence would receive significant benefit from larger projects, especially in the early phases of stability operations.

**Disbursement**

The data in Table 2 illustrate how disbursement can be another area of concern if funding is not targeted appropriately. The amount of CERP funds obligated versus authorized in theater ranges from 61% to 84% each fiscal year. This indicates that there were not enough valuable and secure projects for managers to put money against or there was not enough time and contracting skills to obligate the significant amount of funds provided each year.

<table>
<thead>
<tr>
<th>Fiscal Year Funds</th>
<th>Total Appropriated</th>
<th>Total Obligated</th>
<th>TO/TA</th>
<th>Total Disbursed</th>
<th>TD/TA</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY04</td>
<td>$180.0</td>
<td>$140.0</td>
<td>78%</td>
<td>$46.4</td>
<td>26%</td>
</tr>
<tr>
<td>FY05</td>
<td>$854.0</td>
<td>$718.0</td>
<td>84%</td>
<td>$333.2</td>
<td>39%</td>
</tr>
<tr>
<td>FY06</td>
<td>$1,121.0</td>
<td>$682.6</td>
<td>61%</td>
<td>$264.6</td>
<td>24%</td>
</tr>
<tr>
<td>FY07</td>
<td>$956.4</td>
<td>$690.7</td>
<td>72%</td>
<td>$332.7</td>
<td>35%</td>
</tr>
<tr>
<td>Total All Years</td>
<td>$3,111.4</td>
<td>$2,231.3</td>
<td>72%</td>
<td>$976.9</td>
<td>31%</td>
</tr>
</tbody>
</table>

Even more troubling is the amount disbursed each fiscal year into the local economies. These values range from a low of 24% to a dismal high of 39% each fiscal year. For money to be effectively employed as a weapons system, it must actually get disbursed where it is needed to influence behavior. Similar arguments have been made in reference to the current $787 billion economic stimulus package in the United States. Estimates from the CBO on the stimulus package indicate “that about $200 billion will be spent in 2011 or later—well beyond when it will do the most good.” If money is not infused into a failing economy rapidly to relax credit and instill confidence, it will take longer to achieve the benefits of the recovery—political and economic stability, increasing employment numbers, decreasing conflict, and improvements to the local infrastructure.
There are many causes (corrupt government officials, violence, and politics—to name a few) on large infrastructure projects that create delays on disbursements that make trickle-down economics work very slowly and inefficiently. This makes it increasingly difficult to target accurately to ensure the money gets down to the local population to improve their lot in life and win their support. CERP should be directly applied at the lowest level where it is needed. When 76% of the money is not being paid out into the local economy as in FY2006, large portions of the weapon system are not having any effect.

Documentation

As highlighted in Table 3, certifications indicating funds were disbursed were missing in almost half of the project files SIGIR sampled for this report. This implies that CERP funds are not being employed properly in accordance with program guidelines and may not be getting infused into the local economy for the maximum benefit. Although the explanation for the lack of official documentation in the files is not clear, it is clear that more trained and experienced administrators need to be involved. The project files sampled provide no reasonable assurance that CERP funds are being appropriately obligated by authorized officials. And it is not apparent from the data whether 22% of the projects were ever completed. It may be that the security environment prevented project completion, but documentation would be expected in the files providing an audit trail for managers, auditors, and lastly accountability to the American taxpayer.

<table>
<thead>
<tr>
<th>Documentation</th>
<th>Required</th>
<th>Missing</th>
<th>Percentage missing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Obligation of Funds</td>
<td>101</td>
<td>19</td>
<td>18.8%</td>
</tr>
<tr>
<td>Disbursement of Funds</td>
<td>87</td>
<td>43</td>
<td>49.4%</td>
</tr>
<tr>
<td>Certification of Funds Official</td>
<td>113</td>
<td>33</td>
<td>29.2%</td>
</tr>
<tr>
<td>Project Completion Certification</td>
<td>118</td>
<td>26</td>
<td>22.0%</td>
</tr>
</tbody>
</table>

The report indicates MNC-I did conduct training concerning CERP procedures; however, “the continuing problems we identified again…suggest that additional attention is still needed.” The contracting specialty is highly trained to preserve and document
files for future analysis. Although it may not seem critical at the time, accurate historical records can prevent wasteful, ineffective Stability projects as follow-on, inexperienced units rotate into the local area of operations. An example:

At a sewage treatment plant in Baghdad, the inspector general's auditors found that when a new US commander arrived in the area and discovered that the plant had no power, he would use CERP money to pay for a generator. That happened three times. “So at the end of the day, they've paid for the same generator three different times,” said Cruz, the deputy inspector general for reconstruction. 18

Transition

Common in the annual SIGIR audits is the claim that project planning does not adequately account for maintenance and sustainment. The rush and enthusiasm to build and leave a lasting structure as a sign of accomplishment can overpower the detailed planning and contract administration requirements of a project for those who are unfamiliar and untrained in acquisition. There is an assumption among many commanders that they can simply transfer the keys to transition responsibility to the local civilian government or leadership when construction of a facility is complete. However, SIGIR consistently reports that the local governments are “not yet fully prepared to take over the near- or long-term management and funding of many US funded infrastructure projects and that additional efforts are needed to ensure their viability.” 19 A Washington Post article in August 2008, reported that “two schools…included no provision for handover to the provincial government. Last year, auditors found that a water treatment plant near Mosul that had been repaired with $237,000 in CERP funds and then transferred to the local government was not working months later because it had no electricity.” 20 Better coordination with the local government or leadership is required prior to initiation of any substantial project.

Provisional Reconstruction Teams (PRTs), a civil-military teaming organization meant to be led by a State Department foreign service officer, are one of many “whole of government” approaches to ensure project viability and build capacity for self-governance in the local indigenous population. However, PRTs often lack the necessary skills and leadership because US government agencies are not fully staffing their team
positions with sufficient manpower. These manpower vacancies are often filled with additional military personnel. A former US Agency for International Development (USAID) director in Iraq described the problem this way: “[The soldier’s] major job became not just fighting the war but becoming the de facto reconstruction guys. But they’re not trained to run and sustain them. They are learning it on the battlefield.”

Local commanders should not have to shoulder this additional responsibility for contingency relief and reconstruction operations without assistance from the acquisition community. To ensure funds are consistently applied toward desired effects, the MNC-I CERP SOP specifically mentions that “close coordination between commanders, engineers, civil affairs, effects coordinators and comptrollers is vital.” Local commanders, as a minimum, should have a trained contract specialist working with their staff to interact with the PRT to assist with project management and oversight.

Lessons learned

Another persistent finding throughout past SIGIR audits is no controlled process for capturing and disseminating CERP lessons learned or best practices. It is well established in the military culture that continuous improvement results from comprehensive after action reviews where lessons learned are captured to benefit current and future operations. The Army established the Center for Lessons Learned and Army Knowledge Online as resources to achieve distributed learning from the precedent acquired from past operations. These lessons should then be used in continuity files, policy letters, SOPs, and doctrine to improve the management of current and future operations as well as reduce the training time for new personnel. Unfortunately, these important project lessons are often lost as local commanders focus on the multitude of tasks required in a counterinsurgency operation.

One excellent example of a lesson learned concerning local pay scales is found in our current doctrine for Stability Operations, FM 3-07. Knowledge and understanding of local pay scales is critical when establishing jobs programs as low salaries will be exploited by adversaries and high salaries will divert vital skills from important segments of the local economy. The MNC-I CERP SOP touches on this lesson when it states in the Program Overview that commanders must “ensure they are paying reasonable prices
for services and supplies received and constructing projects to a modest, functional
standard.”24 Even when lessons learned are captured and disseminated, they must be
understood and adopted by the local commander and his staff. There are many examples
of inexperienced and unskilled personnel paying exorbitant prices for basic services
because their knowledge of the local economy and their understanding of the
consequences were inadequate. A USAID representative on the Rasheed PRT indicated
that PRTs and military units were frequently overpaying. “We’re building a farmer’s
market across from the Doura market, and we’re spending over a million dollars. It’s just
a concrete slab and a tin roof. And the contract is $900,000.” 25 Another example
indicated that $687,000 was spent to install awnings in a market in Baghdad in order to
create 35 jobs for 3 months. 26 Members of Congress, to include Senators Warner and
Levin, chairman of the Senate Armed Services Committee, are starting to question the
viability of the program due to these unsuccessful, large-scale projects and the belief that
CERP was never intended to be used for major development. 27

Opportunity for Change

The SIGIR audit reports make it clear that there are persistent and significant
implementation and management problems in the CERP which threaten the program.
CERP funds should rarely be used for large-scale projects and audit findings should be
addressed promptly to put the program back on track. Funded at $3.1 billion, CERP is a
very important weapon in a local commander’s arsenal and should be strengthened and
reinforced. The employment of money in the area of operations and the ability to
leverage and focus the effects requires special skills. Any weapons system requires
training to be effective and will not have the same impact in the hands of a novice.
CERP funds are intended to be used to efficiently contract for local services to employ as
many Iraqi people as possible over an extended period of time. The contracting specialty
has the necessary skills to effectively implement a service contracts program using CERP
funds. These skills have been honed through contracts training at the Defense
Acquisition University, local training in a Regional Contracting Office before a
contracting warrant is issued, and occasional field training in support of regional
exercises.
Historically, contracts training has focused on general support to the warfighter while in garrison or deployed. Funds are used in accordance with the Federal Acquisition Regulation (FAR) to contract for goods and services for the benefit of the soldier. Available funding sources in garrison have sensible restrictions on using federal taxpayer dollars to only support the US military. However, local commanders have very few restrictions on using CERP funds, which can be used in support of the local populace to improve the socio-economic conditions in the area of operations to enhance security and stability. Fewer restrictions on the employment of money can be cause for abuse, as seen in the prior examples, or can be cause for significant success if employed by a trained professional. Recent developments in doctrine for stability operations, the publication of the Gansler Commission Report, and the creation of the Army’s Expeditionary Contracting Command have created a unique opportunity for the contracting specialty to directly support the commander through CERP in the execution of his Stability Operation.

**Stability Doctrine**

The Army Field Manual for Operations, FM 3-0 originally published in June 2001, was recently updated in February 2008. Operations plans, under the older doctrine, used contracting as one tool to remove civilians from the field so that the battle could be engaged and collateral damage to the indigenous population could be minimized. Stability and Support Operations (SASO) to assist local commanders were secondary to offensive and defensive operations and were often characterized as major operations other than war. Contracting officers wrote annexes to operations plans that involved setting up operations in an industrial base close to the battlefield, but detached and nearer to commercial vendors. This direct access and close coordination with the commercial vendor base would allow industry to be leveraged via money and service contracts to support the soldier with transportation, logistics, and base life support functions.

With ongoing operations involving Iraq and Afghanistan and a realization that battlefields were not linear anymore, the Department of Defense implemented Department of Defense Directive 3000.05 in November 2005, which states:
Stability operations are a core US military mission that the Department of Defense shall be prepared to conduct and support. They shall be given priority comparable to combat operations and be explicitly addressed and integrated across all DoD activities including doctrine, organizations, training, education, exercises, materiel, leadership, personnel, facilities, and planning.28

The directive effectively elevated stability operations on par with offensive and defensive operations stressing that it was probably more important to the enduring success of a military operation than established combat operations. Based on this guidance, the Army’s Training and Doctrine Command updated FM 3-0 with a focus toward an era of persistent conflict fought among the people. No longer would civilians be removed from the battlefield, as a primary effort now became trying to win the indigenous population over to your side.

This flow down of doctrine meant the Army’s Field Manual for Stability and Support Operations, FM 3-07 (formerly FM 100-20) dated February 2003, needed to be updated. It was published into its current format FM 3-07, Stability Operations dated October 2008, merely four months ago. The doctrine has changed and the CERP is the embodiment of this new doctrine. Local commanders now have a significant weapon to persuade local opposition that economic recovery is possible and that a prosperous future can be obtained through a cooperative, secure, and stable environment provided by the local commander. This change in doctrine gives the contracting specialty an opportunity to be more relevant to the close fight by utilizing contracting tools to assist the local commander in his Stability Operation.

The primary stability tasks from FM 3-07 are: 1) establish civil security, 2) establish civil control, 3) restore essential services, 4) support to governance, 5) support to economic and infrastructure development.29 The contracting specialty is specifically referenced in FM 3-07 under the primary stability task of support to economic and infrastructure development. Under the subcategory of support to economic generation and enterprise creation, the doctrine relates that contracting duties can stimulate local economic recovery by actively engaging the local labor force.30 Under the subcategory of support to private sector development, doctrine establishes that contracting should be used to strengthen the private sector during the transformation phase of stability.
operations. Contracting should be used in support of these tasks to infuse money into the local economy and stimulate investment and development from the private sector.

Stability operations doctrine should now flow down into Army contracting doctrine. More attention should be focused on a direct support role to the local commander assisting him with obligation and disbursement of CERP funds into the local economy through service contracts and job programs. A detached regional contracting cell providing general support at the division level is also important, but local support and assistance to the CERP at the brigade staff level is where the future of contracting should be to fully exploit the guidance in the new Army doctrine. Contracting involvement at the local brigade command level should be focused on providing substantial value through expertise to the program and not on administratively overburdening the process. But warranted contracting specialists were created to ensure there were checks and balances and to assist the commander in executing contract administration more effectively and efficiently in support of his operations. The Defense Contract Management Agency (DCMA) provides significant oversight and is heavily integrated into the annual $5 billion Logistics Civil Augmentation Program (LOGCAP) that contracts basic life support services, theater transportation, and logistics support for soldiers at US Forward Operating Bases. It is not unreasonable, and there should be an expectation, that the contracting specialty would become more deeply involved in the $3.1 billion taxpayer-funded CERP program.

**Gansler Commission Report**

For various reasons, to include the long term costs of supporting a large, standing Army, contracting for supplies and services in support of our military has become more widespread, complex, time-sensitive, and an increasingly vital factor in achieving success on the battlefield. In September 2007, Secretary of the Army Pete Geren established the Commission on Army Acquisition and Program Management in Expeditionary Operations, also known as the Gansler Commission, to review lessons learned for the Army Acquisition community in light of recent expeditionary operations and to present recommendations on how it could better perform in the future. It made four overarching recommendations in its report “Urgent Reform Required: Army Expeditionary Operations.”
Contracting” dated October 2007 focusing considerable attention on the challenges of Army contracting and on the changes necessary to ensure success in future operations. The four broad recommendations could be summarized as increase the quantity of contracting personnel, increase the contracts training, obtain policy relief to ease contracting effectiveness, and restore responsibility for contracts and contract management by restructuring the organization. The Commission found that while Army contracting personnel stayed constant at approximately 5,500 since 1996, the dollar value (complexity indicator) increased 331% while contract actions (workload) increased 654% between 1992 and 2006. This disparity was recognized and highlighted by the Commission allowing the recommendations to draw attention and force change. Secretary Geren stated on November 01, 2007 that “High-quality contracting and procurement must be an Army core competency,” as the report concluded that more than half of the personnel in Iraq and Afghanistan were on contract.

The Army Contracting Task Force (ACTF), co-chaired by the Military Deputy to the Assistant Secretary of the Army for Acquisition, Logistics, and Technology and the Executive Deputy to the Commanding General, Army Material Command, was immediately established to implement the recommendations from the Gansler Commission Report. The changes from these recommendations can be exploited to restore responsibility for contracts and contract management at the direct support level to the local commander in the CERP program. The ACTF has received approval to increase the Army’s contracting workforce by approximately 25%. This additional workforce could help supplement the direct support role to the local commander to assist in his Stability Operation. Training and experience in service contracting is improving by accessing personnel into the contracting specialty earlier than in past practices while lessons learned are being incorporated into doctrine and training exercises. Skills for requirements development and Contracting Officer Representatives (CORs) management are also being trained via distance learning and attendance at the Defense Acquisition University. This training will greatly enhance the abilities of the contracting professional to assist the local commander in utilizing CERP funds effectively. Automated procurement systems are being developed which “will enable simplified cradle-to-grave management of our contracted support with improved oversight,
visibility, traceability, and accountability throughout the contracting life cycle." Automated systems will ensure there is good documentation and efficient processes to directly support the local commander with professional advice and assistance as the environment evolves through the various stages of the local stability operation.

**ECC organizational structure**

The most significant structural change to Army contracting resulted from the Gansler Commission’s recommendation to “restructure [the] organization and restore responsibility to facilitate contracting and contract management in expeditionary and CONUS operations." The new Army Contracting Command was recently established on October 01, 2008 under the Army Material Command. Its two subordinate organizations are the Expeditionary Contracting Command (ECC) and the Mission & Installation Contracting Command (MICC). The ECC will be organized with seven Contracting Support Brigades (CSBs), eight Contingency Contracting Battalions (CCBNs), and 83 Contingency Contracting Teams (CCTs) to support the local commander throughout his Stability Operation. The Reserves will hold another three CCBNs and 75 CCTs as a deployable surge capability. New doctrine for the employment of the CSBs is in final draft and has not been published yet. However, it is envisioned that another small separate organization of approximately eight Senior Contingency Contracting Teams (SCCTs) will also fall under the CSB commander for employment at the division headquarters. The current understanding is that CSBs, CCBNs, SCCTs, and CCTs will deploy as units depending on the support mission versus individual contracting officers as is the present practice. The new ECC should evolve their doctrine for employment to better support the local commander’s CERP program by ensuring there is a close link to the brigade and division staffs.

The focus of the ECC should be where the focus of the CERP currently is—at the tip of the spear, where we can better shape the battlefield for our local commanders during stability operations. Better organization, management, and training of the contracting specialty within the ECC structure can add strength and reinforcement to the CERP during stability operations. Historically, due to the low density of Acquisition officers, contract specialists are pooled together and relegated to regional contracting
cells detached from the day-to-day counterinsurgency operation. However, ECC has a window of opportunity in the early evolution of the organization to focus the contracting specialty back down to the close fight.

CCTs should be the vehicle at the brigade staff level in a direct support role assisting with CERP for the local commander in the close fight. It could also act as the node for connecting CERP efforts to the stabilization efforts by the Provisional Reconstruction Teams (PRTs). CCTs should train with their supported brigades in garrison and develop a consistent relationship with the unit soldiers. Unit soldiers often act as representatives of the warranted contracting officer—Field Ordering Officers (FOOs)/Project Purchasing Officers (PPOs), Contracting Officer’s Representatives (CORs), and Contracting Officer’s Technical Representatives (COTRs) — in garrison and when deployed. Historically, these assignments have been considered a relatively unimportant additional duty leading to poor coordination and oversight. The unit personnel selected for these duties and the contracts training provided have been on an ad hoc basis creating poorly managed, wasteful, and ineffective projects. Paying Agents (PAs), assigned representatives of resource managers, are also assigned on an ad hoc basis but frequently work with contract specialists so a relationship at this level would be beneficial when executing the stability operation to ensure funds are being effectively obligated and disbursed. CCTs should be co-located and aligned with, but not assigned to, brigade staffs as there is a legal separation between contract authority and command authority. A better relationship and more effective coordination and oversight should occur with this organizational structure.

Similarly, SCCTs should be co-located and aligned with, but not assigned to, division staffs. They would act in a general support role providing contract experience and expertise to the local commander and staff and senior level guidance to the CCTs at the subordinate brigades. Based on the mission, they could also organize under a Regional Contracting Cell or integrate with contract specialists from the other Services into a Joint Contracting Cell in support of division operations.
Enhanced training and CERP improvement

The CSB organizational structure outlined above allows better training focus at the local level to improve funds utilization in the CERP for more effective stability operations. CCTs and SCCTs working closely with the brigade and division staffs will be able to monitor the effectiveness of local contracts training. Ad hoc assignments of COR duties can be replaced with long-term assignments with ready access to the contract specialist and their automated contracting tools. In garrison, these skills can be honed through habitual relationships. Better access to templates and training on requirements writing for non-contract specialists will improve the velocity and efficiency of the process by reducing the amount of errors, misunderstandings, and rework. The Army Logistics Management College and the Defense Acquisition University are also developing specific courses for ECC units and CORs, to include writing of statements of work (SOW) or performance work statements (PWS) for service contracts, post-award administration, and contract close-out.  

In garrison, not surprisingly, training in the contracts area is focused on obligating funds in support of service members while ensuring compliance with the Federal Acquisition Regulation (FAR), Defense FAR, Service FAR supplements, and with all statutory regulations. Contracting is much more complicated in a mature environment as there are small business set-asides, competition requirements, regulations on solicitations, rules for enforcement and termination of contracts, and protests among many other concerns that contract specialists deal with in a garrison environment. In theater, training to contract with CERP funds is much easier for contract specialists due to fewer restrictions because many provisions of the FAR are relaxed, streamlined, or eliminated. Some background or experience in service contracting is necessary to be effective and responsibly use taxpayer funds even in an immature environment. Service contracts are made with the indigenous population to create employment, stability, and security but success is based on proper training, implementation, management, and oversight. It generally follows that contract specialists can operate in a less restrictive, immature environment if they can execute complex contracts in a regulated, mature environment.  

Normally for Army officers, accession into the Acquisition Corps immediately follows a successful company command in their basic branches. This provides an
excellent opportunity to capitalize on the company-level experience, train some basic contracting skills, obtain a warrant, and then put those skills to work in the close fight through support and assistance to the local commander in his CERP program. The ECC organizational structure would allow any combination of CSBs, CCBNs, SCCTs, and CCTs to better implement and manage this program while also providing a node for connection to the PRTs for better coordination of stability projects.

Training deployments of CCTs and SCCTs in support of regional opportunities are an excellent means to develop contract specialists and CORs to appropriately utilize CERP when deployed to theater. The US Army Pacific contracting office, formerly consisting of contract specialists assigned to the 25th ID and 9th RSC, had an exemplary program whereby contracting officers were warranted after training and certification at the Regional Contracting Office. Contingency contracting teams would then deploy into countries in the Pacific region to build schools, medical clinics, water wells, and bridges through construction and service contracts using Host Nation Support funding from the Department of State. Plaques and ceremonies were coordinated with the host country to transfer ownership and control to the local leadership. These were high-visibility programs with very high impact in the local communities increasing support for the US government in the area.

Senior contract teams were also deployed to lead Joint Contracting Offices in support of the annual Cobra Gold exercise in Thailand, a complex multinational exercise focused on contingency operations and regional cooperation. The experience and learning from these training opportunities would benefit the local commander when it came to assisting with his CERP program as contact specialists are trained to appropriately manage funds, document files, provide follow-up and oversight, and eventually close out contracts for projects. This would also provide the local commander with much needed assistance on his Stability Operation as he worked through the complexities of his other operations.

The newly formed ECC should leverage its contracting expertise to attack the deficient areas in the local commander’s CERP program identified by the SIGIR to reduce abuses in the program, improve support from taxpayers and Congress, and ensure its long-term viability. The ECC could provide a broad range of assistance in the areas of
targeting, disbursement, documentation, transition, and lessons learned to improve implementation and management of this important program.

The CERP program needs to target the local population through many, simple small-scale projects that employ the most people for the longest period of time. The best method for employing the local indigenous population is through service contracting in a jobs program. Contract specialists in a direct support role to the brigade and division staffs would be in the best position to assist the local commander in implementing and managing the CERP by executing service contracts and targeting areas that needed development. They are trained to award and oversee service contracts while in garrison and to focus on building up the local economy through small business set asides. Contract specialists also understand the various sources of funding, so they can better advocate for which source to use depending on the mission to enhance flexibility and free up resources for the CERP program.

Contract specialists work closely with customers, resource managers, and finance officers in garrison to track payments and ensure vendors are paid the appropriate amount of money as rapidly as possible. There are automated systems that can be used to quickly confirm that services have been received and that disbursement should occur. The ECC should structure their organization so that contract specialists are in a direct support role to the brigade and division staffs where effective contract support training can occur through habitual relationships.

Documentation is very important and there are many automated systems and checklists to ensure that contract files are accurate and complete. Past contract files can be used as a historical reference to ensure that vendors are not being paid again for work previously performed. Files are normally audited annually to update and close out projects, which will provide a more systematic process of oversight. Contracting officers can document the file if proper certification is unavailable and can usually investigate and ratify the file up to certain dollar values if there are unauthorized commitments. Better contract automation can be used with more focused metrics to increase efficiency and effectiveness. The ECC should ensure they evolve subordinate units into a direct support role to assist the local commander in the implementation and execution of the CERP program.
Managing projects and contracting within the Defense Acquisition System involves balancing risk over very complex, expensive, and time-intensive programs while communicating with an ever-increasing number of stakeholders. This experience and skill set should be leveraged to assist the local commander in the management of the CERP. CERP should be attacking the basics through small-scale service contracts to employ the maximum amount of people. Better coordination needs to be implemented between the contract specialists, the PRTs, and possibly with DCMA to better oversee the projects and provide quality control. DCMA and contract specialists are familiar with industrial base assessments to ensure the local economy can support the projects to better facilitate the transition to the local leadership. Transition is made even more difficult by inexperienced project leads focused on standards and building codes that are too high for the local economy rather than just maintaining the local standards in an austere environment. “Better” is the enemy of “good enough” and costs more in time, money, and security for the American soldier and taxpayer.

The contract specialty is the best repository for maintaining lessons learned about the CERP program. There are many tools available to the contract specialist to capture lessons learned to include contracting handbooks, databases, continuity files, contract files, and past performance information management systems that can track good and bad vendors. Lessons learned and best practices should be centralized for standardization while contract execution can be decentralized with the Brigade and Division staffs.

**Recommendations**

This paper examined recent SIGIR audit reports to present areas that needed improvement in the Commander’s Emergency Relief Program. The CERP program would traditionally not be a focus area for the ECC, but doctrine is evolving and the ECC must evolve with it in order to assist local commanders in the execution of their Stability Operations and to remain relevant to the close fight. Recent emphasis from the Secretary of the Army and newly published stability doctrine must drive involvement of the ECC in the CERP program. This paper also discussed how the Expeditionary Contracting Command should improve the deficient areas identified by the audit reports in order to assist the local commander in the execution of this vital program.
Stability operations have been elevated on an equal footing to offensive and
defensive operations. The newly published stability doctrine emphasizes that “the
greatest threat to our national security comes not in the form of terrorism or ambitious
powers, but from fragile states either unable or unwilling to provide for the most basic
needs of their people.” This is a significant shift for Army doctrine and one that
specifically calls for contracting support in the initial response and transformation phase
of the operation when fragile states are either failed or failing and thus not providing for
the most basic needs of their people.

Traditionally, contracting support is provided by pooling the functional expertise
in geographically detached Regional Contracting Offices due in large measure to the low
density of contract specialists in the Army and the necessity to be near the commercial
vendor base. Contract specialists naturally focus on the largest infrastructure projects as
they are the most expensive and complex. However, the new stability doctrine, recent
SIGIR audits, and counterinsurgency experience suggest a move away from large
infrastructure projects especially in the early phases of the operation when security and
the immaturity of the local environment are least permissive.

The examination of recent events coupled with the findings in the SIGIR audit
reports support three recommendations: 1) The ECC must evolve their organizational
structure and training to provide direct support to local commanders in the execution of
their Stability operations through the CERP program, 2) The ECC must develop new
document for the employment of their subordinate units in accordance with FM 3-0 and
FM 3-07, and 3) The ECC must proactively engage with the Brigade and Division staffs
to assist with their CERP projects and priorities.

The CERP program is a significant effort at $3.1 billion to allow local
commanders to provide for the most basic needs of the indigenous population by
employing money as a weapons system to target local requirements in order to restore
security and stability. The ECC must evolve their organizational structure and training to
provide direct support to local commanders in the execution of their Stability Operations
through the CERP program.

The Expeditionary Contracting Command was officially established in October
2008. As the ECC organizational structure evolves, it must develop new doctrine for
employment of the CSBs in accordance with two recently published Army Field Manuals: FM 3-0, Operations, dated February 2008 and FM 3-07, Stability Operations, dated October 2008. The CERP program embodies and enables this new doctrine for the local commander and it must be strengthened and reinforced by the ECC.

This focus is necessary for the ECC to reverse the view in the Gansler Commission Report that the Army contracting specialty “has excellent, dedicated people; but they are understaffed, overworked, under-trained, under-supported, and, most important, under-valued.” The ECC should avoid what LTC John Nagl calls “commuting to war” by staying on the Forward Operating Base in a regional contracting cell providing general support to the warfighters. The ECC and contracting specialty must engage with the Brigade and Division staffs to assist with their CERP projects and priorities. The contracting specialty is trained, warranted, and uniquely qualified to execute this program in support of the local commander.


5 The three intervention phases of Stability Operations described in FM 3-07 are: Initial Response, Transformation, and Fostering Sustainability. The Field Manual uses these phases, in concert with the fragile state spectrum, as a way of categorizing the tasks and activities that could be employed to stabilize the operational environment.


39 FMI 4-93.42 (FM 100-10-2), “Contracting Support Brigade,” Headquarters, Department of the Army, pp. 1-7. (Final Draft- no date; received February 12, 2009).


