



Report to the Subcommittee on  
Readiness, Committee on Armed  
Services, House of Representatives

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June 2017

# OPERATIONAL CONTRACT SUPPORT

## Actions Needed to Enhance Capabilities in the Pacific Region

# GAO Highlights

Highlights of [GAO-17-428](#), a report to the Subcommittee on Readiness, Committee on Armed Services, House of Representatives

## Why GAO Did This Study

A key element of DOD military strategy since 2012 has been a rebalance of U.S. presence and capabilities toward the Asia-Pacific region, PACOM's area of responsibility. U.S. military personnel in this region rely on contracted services to provide support to military operations. PACOM's humanitarian and disaster-relief efforts in response to a May 2015 earthquake in Nepal highlighted the importance of OCS in the Asia-Pacific region.

GAO was asked to assess PACOM's processes to plan for, manage, and oversee contractors that support military operations in the Asia-Pacific region. This report assesses the extent to which PACOM (1) has accounted for contractor personnel and has a process to vet foreign vendors; (2) has established an organizational structure to manage and oversee OCS; and (3) has integrated OCS into key planning documents. GAO reviewed documents and data, interviewed relevant officials involved in OCS activities in the region, and analyzed OCS annexes to certain plans.

## What GAO Recommends

GAO is making six recommendations, including that DOD and PACOM develop or update guidance related to contractor personnel accountability, vendor vetting, and OCS organizational structure; and that PACOM develop guidance that clarifies requirements development for plans. DOD concurred with two recommendations and partially concurred with four. GAO continues to believe the recommendations are valid, as discussed in the report.

View [GAO-17-428](#). For more information, contact Cary Russell at (202) 512-5431 or [russellc@gao.gov](mailto:russellc@gao.gov).

June 2017

## OPERATIONAL CONTRACT SUPPORT

### Actions Needed to Enhance Capabilities in the Pacific Region

## What GAO Found

U.S. Pacific Command (PACOM) does not fully account for contractor personnel in a steady-state, or peacetime, environment and lacks a process to vet foreign vendors. Department of Defense (DOD) guidance requires the accounting of certain contractor personnel during contingency operations, but is unclear for steady-state environments. PACOM issued limited guidance in November 2016 to address accountability processes in contingency and steady-state environments, and PACOM and some of its components use multiple mechanisms to account for contractor personnel, resulting in inconsistencies in the numbers of contractor personnel accounted for, which could present difficulties in an emergency or contingency operation. Additionally, PACOM lacks a foreign vendor vetting process due to a lack of DOD guidance identifying what vendor vetting processes should be established at combatant commands. PACOM has taken some action on vendor vetting, such as including vetting in exercises and screening some contractor personnel, but it lacks a process that includes details, such as under what circumstances a vetting cell should be established. DOD guidance specifying under what circumstances a vetting cell should be established would better position PACOM to avoid contracting with the enemy in high-threat areas.

PACOM established an interim operational contract support (OCS) organizational structure through a pilot program that ends in June 2017. PACOM officials stated that, upon completion of the pilot, they intend to establish the structure as an enduring OCS capability within the command's logistics directorate. The intent is to provide the combatant command, subordinate unified commands, and service components a central entity to integrate OCS across joint functions, such as directorates dealing with personnel or intelligence. However, service component officials stated that PACOM's OCS organizational structure might have been more effective if it engaged all joint staff functions, including directorates beyond logistics. DOD, Joint Staff, and PACOM guidance identify the important role that directorates beyond logistics should play as stakeholders in OCS. Similarly, GAO has previously reported on the challenges DOD has faced integrating OCS in functional areas beyond logistics. By considering ways to expand its OCS organizational structure beyond the logistics directorate and better integrate the equities of other directorates, PACOM could be better positioned to build on the progress made during the pilot program.

PACOM has integrated OCS into key planning documents, as required by guidance, by developing OCS annexes for 6 of its 11 operational, concept, and campaign plans. Officials added that they will continue to update the remaining plans as planning cycles and resources allow. However, the annexes generally lack key details, such as contractor management and support estimates. PACOM officials told GAO that such details are determined through requirements development at the service component commands, but challenges exist related to these issues due to unclear guidance. Without guidance that clarifies the requirements-development process for OCS annexes, PACOM will continue to lack important details that are needed to determine OCS requirements for operations.

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## Abbreviations

DOD	Department of Defense
JCASO	Joint Contingency Acquisition Support Office
OCS	operational contract support
OSD	Office of the Secretary of Defense
PACOM	U.S. Pacific Command
SPOT	Synchronized Predeployment and Operational Tracker

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June 23, 2017

The Honorable Robert Wittman  
Chairman  
The Honorable Madeleine Z. Bordallo  
Ranking Member  
Subcommittee on Readiness  
Committee on Armed Services  
House of Representatives

A key element of Department of Defense (DOD) military strategy since 2012 has been a rebalance of U.S. presence and capabilities toward the Asia-Pacific region, U.S. Pacific Command's (PACOM) area of responsibility. U.S. military personnel have deployed to locations within this region, where they rely on a variety of contracted services to provide needed support to conduct military operations, including exercises, humanitarian responses, and contingency operations. DOD describes the process of planning for and obtaining supplies, services, and construction from commercial sources in support of joint operations as operational contract support (OCS).<sup>1</sup> One example that highlights the importance of OCS in the Asia-Pacific region is PACOM's foreign humanitarian assistance efforts in response to the May 2015 earthquake in Nepal. As part of that effort, PACOM established a joint task force that provided aviation capabilities to enable delivery of relief supplies and executed OCS to provide logistical support to deployed U.S. forces.

According to data from the Federal Procurement Data System–Next Generation, DOD obligated more than \$40 billion between fiscal years 2011 and 2015 within PACOM's area of responsibility, including for contracts supporting deployed forces.<sup>2</sup> DOD joint doctrine projects that the continual introduction of high-tech equipment, combined with military

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<sup>1</sup>Joint Chiefs of Staff, Joint Pub. 4-10, *Operational Contract Support*, at GL-8 (July 16, 2014) (hereafter cited as Joint Pub. 4-10 (July 16, 2014)). DOD regulation defines OCS as the ability to orchestrate and synchronize the provision of integrated contract support and management of contractor personnel providing support to the joint force within a designated operational area. 32 C.F.R. § 158.3; Department of Defense Instruction 3020.41, *Operational Contract Support* (OCS), at 49 (Dec. 20, 2011) (hereafter cited as DODI 3020.41 [Dec. 20, 2011]).

<sup>2</sup>Federal Procurement Data System–Next Generation provides agencies with a comprehensive web-based tool to report contract actions.

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force structure reductions, mission-specific force cap restrictions, and high operating tempo means that contract support will continue to be relied upon to augment military forces in most operations.<sup>3</sup> A growing reliance on contractors to provide logistical, transportation, intelligence, and other support to the combatant command's missions in this region requires advanced planning, rapid response, flexible procedures, and integration of efforts.

Since 2010, we have reported on challenges DOD has experienced in managing OCS and made recommendations to strengthen its efforts in this area, including incorporating OCS into planning, ensuring accountability for contractor personnel, and properly vetting contractors and contractor employees.<sup>4</sup> For example, in March 2010 we recommended that DOD incorporate the potential need for contractor support into plans for military operations and that it include assumptions about the use and role of contractors. In February 2013 we recommended that the Joint Staff provide training for OCS planners and, in March 2015, we recommended that DOD revise existing guidance and the services issue service-wide guidance related to collecting OCS lessons learned. Most recently, in December 2015 we recommended that DOD clarify guidance on contractor accountability and issue department-wide guidance on foreign vendor vetting. DOD generally concurred with these recommendations and, in response, has issued and updated DOD and Joint Staff OCS guidance related to OCS roles and responsibilities, planning for OCS requirements, ensuring accountability of contractors authorized to accompany the force, and implementing OCS within the combatant commands' area of responsibility.<sup>5</sup>

You asked us to review the processes PACOM uses to plan for, manage, and oversee contractors that support military operations in the Asia-Pacific region. This report addresses the extent to which PACOM has: (1)

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<sup>3</sup>Joint Pub. 4-10, at I-1 (July 16, 2014).

<sup>4</sup>GAO, *Operational Contract Support: Additional Actions Needed to Manage, Account for, and Vet Defense Contractors in Africa*, [GAO-16-105](#) (Washington, D.C.: Dec. 17, 2015); *Warfighter Support: DOD Needs Additional Steps to Fully Integrate Operational Contract Support into Contingency Planning*, [GAO-13-212](#) (Washington, D.C.: Feb. 8, 2013); *Operational Contract Support: Sustained DOD Leadership Needed to Better Prepare for Future Contingencies*, [GAO-12-1026T](#) (Washington, D.C.: Sept. 12, 2012); *Warfighter Support: DOD Needs to Improve Its Planning for Using Contractors to Support Future Military Operations*, [GAO-10-472](#) (Mar. 30, 2010).

<sup>5</sup>32 C.F.R. pt. 158; DODI 3020.41 (Dec. 20, 2011); Joint Pub. 4-10 (July 16, 2014).

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accounted for contractor personnel and has a process to vet foreign vendors in its area of responsibility, (2) established an organizational structure to manage and oversee OCS, and (3) integrated OCS into key planning documents.

To determine the extent to which PACOM accounts for contractor personnel and has a process to vet foreign vendors in its area of responsibility, we reviewed and analyzed DOD and PACOM guidance as well as the Defense Federal Acquisition Regulation Supplement and other guidance on requirements for the use of contractors. We collected and analyzed data from 2015 and 2016 on the use of contractors, and assessed the reliability of the data by interviewing knowledgeable officials about the data and the steps that they had taken to verify the data's accuracy. We determined that the data were sufficiently reliable, and compared the data to criteria related to contractor personnel accountability found in DOD guidance and federal regulations, and interviewed key officials at various organizational levels.<sup>6</sup> We reviewed guidance and documentation and interviewed officials to determine the processes in place to vet non-U.S. contractors and their employees, including requirements and screenings.

To determine the extent to which PACOM has established an organizational structure to manage and oversee OCS, we reviewed and analyzed key criteria related to OCS roles and responsibilities found in DOD, PACOM, and other guidance and compared them to the OCS organizational structure at PACOM and its subordinate commands, and interviewed relevant officials.<sup>7</sup> Finally, to determine the extent to which PACOM has integrated OCS into key planning documents, we reviewed and analyzed planning criteria found in DOD and PACOM guidance, and compared them to PACOM planning documents, including the OCS annex in the theater campaign plan and select operation and contingency

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<sup>6</sup>DODI 3020.41 (Dec. 20, 2011); Joint Pub. 4-10 (July 16, 2014); 32 C.F.R. pt. 158; PACOM Instruction 0601.7, *Operational Contract Support* (Aug. 21, 2012).

<sup>7</sup>DODI 3020.41 (Dec. 20, 2011); Joint Pub. 4-10 (July 16, 2014); PACOM Instruction 0601.7, *Operational Contract Support* (Aug. 21, 2012).

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plans.<sup>8</sup> For a more detailed discussion on our objectives, scope, and methodology, see appendix I.

We conducted this performance audit from December 2015 to June 2017 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

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## Background

The Commander of U.S. Pacific Command (PACOM) is the primary U.S. military authority in the Pacific area of responsibility. PACOM's area of responsibility spans approximately half the earth's surface and encompasses 36 countries, including Australia, China, India, Japan, the Philippines, and South Korea.<sup>9</sup> PACOM is supported by four service component commands: U.S. Army Pacific; U.S. Pacific Air Forces; U.S. Marine Forces, Pacific, and the U.S. Pacific Fleet. Each component command is generally responsible for its service's actions and missions within the PACOM area of responsibility. In addition, PACOM has two subordinate unified commands, which help support the combatant command's presence in the region. In Japan, U.S. Forces Japan supports U.S. forward presence and ensures bilateral defense cooperation with the government of Japan. In Korea, U.S. Forces Korea coordinates U.S. military operations and activities in South Korea.

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<sup>8</sup>DODI 3020.41 (Dec. 20, 2011); Joint Pub. 4-10 (July 16, 2014); Chairman of the Joint Chiefs of Staff Manual 3130.03, *Adaptive Planning and Execution (APEX) Planning Formats and Guidance* (Oct. 18, 2012); PACOM Instruction 0601.7, *Operational Contract Support* (Aug. 21, 2012).

<sup>9</sup>A combatant command is a unified or specified command with a broad continuing mission under a single commander established and so designated by the President, through the Secretary of Defense and with the advice and assistance of the Chairman of the Joint Chiefs of Staff. DOD has six geographic combatant commands responsible for missions in specific areas of the world: U.S. Africa Command, U.S. Central Command, U.S. European Command, U.S. Northern Command, U.S. Pacific Command, and U.S. Southern Command.



## OCS Functions, Roles, and Responsibilities

DOD describes OCS as the process of planning for and obtaining supplies, services, and construction from commercial sources in support of joint operations.<sup>10</sup> OCS encompasses three functions: contract support integration, contracting support, and contractor management.<sup>11</sup> These functions and their associated tasks are described in figure 1.

**Figure 1: Operational Contract Support Functions and Associated Tasks**

Contract support integration	Contracting support	Contractor management
<p>The coordination and synchronization of contracted support executed in a designated operational area in support of the joint force.</p> <p><b>Plan</b></p> <ul style="list-style-type: none"> <li>• Plan and integrate contract support               <ul style="list-style-type: none"> <li>» Collaborate in boards, centers, cells, and working groups</li> <li>» Conduct assessments and provide recommendations</li> </ul> </li> <li>• Determine requirements               <ul style="list-style-type: none"> <li>» Develop, validate, consolidate, and prioritize</li> </ul> </li> <li>• Information management</li> </ul>	<p>The execution of contracting authority and coordination of contracting actions in support of joint force operations.</p> <p><b>Procure</b></p> <ul style="list-style-type: none"> <li>• Plan and organize for contracting support</li> <li>• Coordinate common contracting actions</li> <li>• Translate requirements into contract documents</li> <li>• Develop contracts</li> <li>• Award and administer contracts</li> <li>• Closeout contracts</li> </ul>	<p>The oversight and integration of contractor personnel and associated equipment providing support to the joint force in a designated operational area.</p> <p><b>Manage</b></p> <ul style="list-style-type: none"> <li>• Plan contractor management</li> <li>• Prepare for contractor deployment</li> <li>• Deploy/redeploy contractors</li> <li>• Manage contractors</li> <li>• Sustain contractors</li> </ul>

Source: Department of Defense. | GAO-17-428

Determining OCS requirements, as well as conducting the initial planning for and coordination of these tasks, is primarily an operational, versus a contracting, function. As a result, and according to joint doctrine, all of the directorates within a command have OCS roles or responsibilities.<sup>12</sup> The 2014 update to Joint Publication 4-10 introduced the concept of an OCS Integration Cell as a central coordination point that can, among other

<sup>10</sup>Joint Pub. 4-10, at GL-8 (July 16, 2014).

<sup>11</sup>In the context of OCS, “contractor management” refers to the oversight and integration of contractor personnel and associated equipment providing support to the joint force in a designated operational area. 32 C.F.R. § 158.3; Joint Pub. 4-10, at I-3 (July 16, 2014).

<sup>12</sup>See, e.g., Joint Pub. 4-10, at III-3 to III-5 (July 16, 2014).

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things, provide staff integration by assisting and advising the directorates on these issues.

The Defense Logistics Agency's Joint Contingency Acquisition Support Office provides support to combatant command OCS planning efforts and training events, and, when requested, advises, assists, and supports joint force command oversight of OCS operations. Additionally, the Joint Contingency Acquisition Support Office provides the combatant commander joint OCS planners embedded within the combatant command staff, including as part of their OCS Integration Cells.

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## OCS in Combatant Command Planning for Contingencies

The department uses contingency planning to develop its operation plans, which describe how DOD will respond to a potential event that might require the use of military force, such as terrorism, hostile foreign nations, and natural disasters. An operation plan generally consists of a base plan and annexes. The base plan describes the concept of operations, major forces, sustainment concept, and anticipated timelines for completing the mission. The annexes of an operational plan provide further details on areas such as logistics (Annex D), personnel (Annex E), and OCS (Annex W). Chairman of the Joint Chiefs of Staff Manual 3130.03, *Adaptive Planning and Execution (APEX) Planning Formats and Guidance*, provides more detailed guidance on the format of plans, including templates for the base plan and annexes.<sup>13</sup>

As described in Joint Publication 5-0, *Joint Operation Planning*, the framework for military operational planning generally encompasses six phases, ranging from Phase 0 to Phase V.<sup>14</sup> Phases are distinct in time, space, or purpose from one another. According to Joint Publication 5-0, Phase 0 or steady-state operations encompass normal and routine military activities performed to dissuade or deter potential adversaries and to assure or solidify relationships with allies. In general, terms such as steady-state operations, steady-state environment, and Phase 0 are used in reference to peacetime operations or to denote the absence of a declared contingency operation. Phases I through V generally involve the demonstration and use of military forces to deter an adversary, seize the

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<sup>13</sup>Chairman of the Joint Chiefs of Staff Manual 3130.03, *Adaptive Planning and Execution (APEX) Planning Formats and Guidance* (Oct. 18, 2012).

<sup>14</sup>See, e.g., Joint Chiefs of Staff, Joint Pub. 5-0, *Joint Operation Planning*, at III-41 to III-44 (Aug. 11, 2011).

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initiative, dominate the adversary, participate in stability operations subsequent to combat operations, and support civil authorities, respectively.

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## Contractor Personnel Accountability

Personnel accountability is the general process by which commanders identify, capture, and record information about the number and type of personnel, including contractor personnel, in their area of operations.<sup>15</sup> To help commanders improve their ability to account for contractor personnel (which may include U.S. citizen, third-country, and local national personnel, depending on the circumstances), DOD uses a database—Synchronized Predeployment and Operational Tracker (SPOT)—to serve as the department’s central repository for contractor personnel accountability data in contingency operations. Specifically, SPOT assists the combatant commander in ensuring that accountability, visibility, force protection, medical support, personnel recovery, and other related support can be accurately forecasted and provided for the contractor personnel in the command’s area of responsibility. When specified by contract, vendors are responsible for inputting and maintaining their employees’ personnel data in SPOT throughout the employees’ periods of performance.

Personnel accountability is also conducted by means of the Joint Personnel Status Report database. According to PACOM guidance, PACOM headquarters and subordinate activities are to report the total number of DOD-affiliated personnel assigned to PACOM (inclusive of all applicable active-duty service members, selected reservists, DOD civilian employees, and DOD contractors [excluding foreign nationals]), as well as other DOD personnel physically present in the PACOM area of responsibility.<sup>16</sup> Personnel status reports are to be submitted weekly. This information, along with SPOT and service-specific accountability systems, typically feed information into DOD’s primary accountability system—Joint Personnel Accountability Reconciliation and Reporting—to produce joint personnel status reports, which include military, civilian, and contractor employees.

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<sup>15</sup>GAO-16-105.

<sup>16</sup>See PACOM Instruction 0250.1, *Personnel Accountability, Visibility, and Strength Reporting in the United States Pacific Command (USPACOM) Area of Responsibility (AOR)*, paras. 1.2, 3.2 (Nov. 10, 2016).

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## Vendor Vetting and Contractor Employee Screening

Vendor vetting and contractor employee screening are processes by which DOD conducts intelligence-based threat mitigation to minimize operational risks potentially posed by contracted companies and their employees.

**Vendor Vetting:** DOD contracting officers are required to check prospective contractors' names against a list of prohibited, restricted, or otherwise ineligible entities in a U.S. government contracting database called the System for Award Management.<sup>17</sup> The database contains a list of sanctioned and other prohibited entities identified by the Department of the Treasury, Department of State, DOD, and other U.S. agencies. Additionally, Joint Staff guidance discusses the establishment of a foreign-vendor vetting cell within a combatant command to vet selected local national and third-country national companies to prevent DOD from awarding contracts to companies having ties to insurgents or other inappropriate entities.<sup>18</sup> Generally, such vetting consists of researching the principal owners and connections of the company using information provided by owners and then cross-checking this information against various intelligence sources.

**Contractor Employee Screening:** According to joint doctrine, subordinate and individual base commanders are responsible for the security of military facilities within the combatant commander's area of responsibility. Joint doctrine notes that part of this process is the screening and badging of contractor personnel who are authorized to have base access.<sup>19</sup> A contractor employee screening process can mitigate the potential security risk that third-country and local national contractor personnel may pose when they have access to DOD facilities.

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<sup>17</sup>See Class Deviation 2015-O0016, *Prohibition on Providing Funds to the Enemy and Authorization of Additional Access to Records*, attachment 3 (Sept. 15, 2015); 48 C.F.R. (FAR) § 9.405(d).

<sup>18</sup>See Joint Pub. 4-10, at III-27 to III-28 (July 16, 2014).

<sup>19</sup>Joint Pub. 4-10, at V-25 (July 16, 2014).

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## PACOM Does Not Fully Account for Contractor Personnel in a Steady-State Environment and Does Not Have a Process to Vet Foreign Vendors

PACOM does not fully account for contractor personnel in a steady-state environment, and does not have a process to vet foreign vendors. DOD guidance requires accountability for certain contractor personnel during contingency operations, but contractor accountability guidance in steady-state environments is unclear. In the absence of clear guidance from DOD, PACOM has used multiple mechanisms for contractor personnel accountability, which has resulted in inconsistent reporting. PACOM subsequently issued accountability guidance in November 2016, but it is limited in that it excludes foreign-national contractors. Additionally, PACOM does not have a process in place to vet foreign vendors in contingency operations due to a lack of DOD guidance that clarifies what foreign-vendor vetting steps or process should be established at each combatant command.

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## DOD Guidance Requires Accountability for Certain Contractor Personnel during Contingencies, but the Accountability Is Unclear for Steady-State Environments

DOD guidance provides procedures for identifying, capturing, and recording information about certain contractor personnel in combatant command areas of operation during applicable contingency operations outside the United States.<sup>20</sup> For example:

- DOD Instruction 3020.41 states contractor visibility and accountability shall be maintained in applicable contingency operations through a common joint database, SPOT, or its successor.<sup>21</sup>
- Joint Publication 4-10 states that DOD policy requires accountability of all contractors authorized to accompany the force, as well as other contractor employees designated by the Office of the Secretary of Defense (OSD) or combatant commander, in SPOT. It notes that contractor personnel visibility and accountability are essential to determine and resource government support requirements in uncertain, hostile, or austere operational environments, and that

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<sup>20</sup>See e.g., DODI 3020.41, encl. 2, para. 3.c (Dec. 20, 2011). The DOD guidance applies to contingency, humanitarian assistance, and other peace operations outside the United States, as well as other military operations as determined by a combatant commander or as directed by DOD, collectively referred to as “applicable contingency operations” in the guidance. *Id.* para. 2.b.

<sup>21</sup>DODI 3020.41, para. 4.e (Dec. 20, 2011); see also *id.* encl. 2, para. 3.c(2); 32 C.F.R. §§ 158.4(e), 158.6(c)(3)(ii).

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accountability of contractor personnel may be a critical information requirement for commanders in some operations.<sup>22</sup>

- A Defense Federal Acquisition Regulation Supplement clause, to be used in certain contracts, requires the contractor to use SPOT to enter and maintain data for all contractors authorized to accompany the force and, as designated, other contractor employees supporting U.S. armed forces deployed outside the United States in applicable operations, including contingency operations, or other designated military operations or exercises.<sup>23</sup>

In addition, PACOM has issued guidance regarding contractor personnel accountability during contingencies. For example, PACOM Instruction 0601.7 indicates that personnel-directorate officials are to provide status reports via SPOT for contractors authorized to accompany the force.<sup>24</sup> Similarly, PACOM Instruction 0250.1 states that subordinate commands are to implement the use of SPOT for the tracking and accountability of contractors authorized to accompany the force, as directed by PACOM headquarters.<sup>25</sup>

Both Chairman of the Joint Chiefs of Staff and PACOM guidance on personnel accountability call for the use of Joint Personnel Status Reports, which are meant, in part, to authenticate the total number of

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<sup>22</sup>Joint Pub. 4-10, at V-18 (July 16, 2014). Contractor personnel who are authorized to accompany the force in applicable contingency operations outside the United States and have been afforded that status through letters of authorization are referred to as “contractors authorized to accompany the force.” These contractor personnel generally include all U.S. citizen and third-country national employees not normally residing within the operational area whose area of performance is in the direct vicinity of U.S. forces and who are routinely collocated with U.S. forces. In some cases, commanders may designate mission-essential host-nation or local national contractor employees, such as interpreters, as contractors authorized to accompany the force. DODI 3020.41, at 47 (Dec. 20, 2011); 32 C.F.R. § 158.3.

<sup>23</sup>48 C.F.R. Defense Federal Acquisition Regulation Supplement (DFARS) 252.225-7040(g)(1) (Oct. 2015); see also DFARS § 225.371-5(a) (requiring use of the clause for solicitations and contracts with performance in a designated operational area that authorize contractor personnel to support U.S. armed forces deployed outside the United States in contingency operations, peace operations, or other designated military operations or exercises).

<sup>24</sup>PACOM Instruction 0601.7, *Operational Contract Support*, para. 10.a(1) (Aug. 21, 2012) (listing the responsibility among the recommended planning considerations for OCS).

<sup>25</sup>PACOM Instruction 0250.1, *Personnel Accountability, Visibility, and Strength Reporting in the United States Pacific Command (USPACOM) Area of Responsibility (AOR)*, para. 2.2.g (Nov. 10, 2016).

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personnel, including military, DOD civilian, and DOD contractor personnel, who are physically present in a geographic combatant commander's area of responsibility.<sup>26</sup> According to PACOM guidance, PACOM headquarters and subordinate activities are to report on a weekly basis via joint personnel status reports the total number of DOD-affiliated personnel assigned to PACOM (inclusive of all applicable active-duty service members, selected reservists, DOD civilian employees, and DOD contractors [excluding foreign nationals]), as well as DOD personnel physically present in the PACOM area of responsibility.<sup>27</sup>

Although the Joint Staff updated Joint Publication 1-0 in May 2016 to clarify, among other things, accountability of DOD contractor personnel overseas, it does not clearly specify the types of contractor personnel (U.S., third-country national, or local national) that are to be accounted for in a steady-state environment.<sup>28</sup> We have previously reported that DOD guidance is unclear with regard to the types of contractor personnel that should be accounted for in a steady-state environment. For example, as we reported in 2015, the Joint Staff guidance is unclear as to what types of contractor personnel should be accounted for in the Joint Personnel Status Report.<sup>29</sup> Specifically, we found confusion among U.S. Africa Command officials regarding the types of contractor personnel—including U.S., local national, host-nation, and third-country nationals—to be included in the joint personnel status report as compared with SPOT, as well as unclear guidance regarding the relationship between information in SPOT and reporting through the Joint Personnel Status Report.

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<sup>26</sup>Chairman of the Joint Chiefs of Staff Manual 3150.13C, *Joint Reporting Structure – Personnel Manual*, encl. A, para. 1 (Mar. 10, 2010) (current as of Nov. 6, 2012).

<sup>27</sup>PACOM Instruction 0250.1, *Personnel Accountability, Visibility, and Strength Reporting in the United States Pacific Command (USPACOM) Area of Responsibility (AOR)*, paras. 1.2.a, 3.2.a, 3.2.d (Nov. 10, 2016).

<sup>28</sup>Joint Chiefs of Staff, Joint Pub. 1-0, *Joint Personnel Support* (May 31, 2016). Although Joint Publication 1-0 discusses visibility of contractors authorized to accompany the force (CAAF), that category of contractor personnel is generally associated with OCS and generally includes U.S. citizen and third-country national employees not normally residing in the operational area, whose area of performance is in the direct vicinity of U.S. forces, and who routinely are collocated with U.S. forces. See, e.g., Joint Pub. 1-0, at III-5 (May 31, 2016); DODI 3020.41, at 47 (Dec. 20, 2011) (defining CAAF).

<sup>29</sup>See [GAO-16-105](#) for a discussion of the specificity in the guidance regarding the types of contractor personnel to be included in SPOT as compared with the joint personnel status report, as well as unclear guidance regarding the relationship between information in SPOT and reporting through the Joint Personnel Status Report.

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Similarly, during this engagement, PACOM personnel-directorate officials told us they report the total number of DOD-affiliated personnel assigned to PACOM by means of the Joint Personnel Status Report database, as required by PACOM guidance. As part of this process, officials told us they account for some contractor personnel. Specifically, they account for contractors authorized to accompany the force, but they do not report numbers on third-country nationals or local nationals.

DOD officials responsible for OCS issues stated in May 2017 that, when requested by combatant commands, they have facilitated the use of SPOT in Phase 0 or steady-state environments to capture accountability data on all types of contractor personnel (U.S., third-country national, and local national).<sup>30</sup> Hence, the commanders of U.S. Africa Command and U.S. Southern Command identified the need to use SPOT in steady-state environments, even though that is not currently required under DOD guidance. To support these efforts, DOD issued guidance for the use of clauses in solicitations and contracts with performance in these combatant command areas of responsibility, which require contractors to use SPOT to enter and maintain data for certain contractor personnel.<sup>31</sup> However, without guidance clarifying the types of contractor personnel to be accounted for in a steady-state environment, DOD may continue to have limited visibility over contractor personnel for whom it may be responsible in the event of a contingency operation or an emergency.

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<sup>30</sup> According to Joint Publication 5-0, Phase 0 or steady-state operations encompass normal and routine military activities performed to dissuade or deter potential adversaries and to assure or solidify relationships with allies. In general, terms such as steady-state operations, steady-state environment, and Phase 0 are used in reference to peacetime operations or to denote the absence of a declared contingency operation.

<sup>31</sup> See Class Deviation 2014-O0016, *Requirements for Contractor Personnel Performing in the U.S. Southern Command Area of Responsibility* (Oct. 6, 2014) (requiring use of clause 252.225-7987 when DFARS clause 252.225-7040 does not apply); Class Deviation 2016-O0008, *Contractor Personnel Performing in the United States Africa Command Area of Responsibility* (June 10, 2016) (requiring use of clause 252.225-7980 in lieu of DFARS clause 252.225-7040).



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## PACOM Uses Multiple Mechanisms to Account for Contractor Personnel, Which Has Resulted in Inconsistent Reporting

PACOM and some of its components use multiple mechanisms to account for contractor personnel in a steady-state environment.<sup>32</sup> For example, although PACOM headquarters officials stated they do not use SPOT to track contractor personnel in a steady-state environment, we determined that some PACOM contractor personnel were accounted for in SPOT. According to data obtained from the SPOT Program Office, in September 2016 approximately 1,400 contractor personnel in the PACOM area of responsibility were recorded in SPOT. Four hundred of these contractor personnel were third-country nationals or local nationals who would not be required to be reported in PACOM's Joint Personnel Status Reports based on its accountability guidance. We also found that some PACOM service components and subordinate unified commands use their own accountability systems—as well as SPOT—to account for contractor personnel. Further, the collected data included third-country and local national contractor personnel, information that similarly would not be required to be reported in Joint Personnel Status Reports.

The use of multiple mechanisms to account for various types of contractor personnel have in some cases resulted in inconsistent and incomplete outcomes regarding the total numbers of contractor personnel accounted for in a steady-state environment. For example:

- U.S. Forces Japan collects data on personnel who are full-time contract employees permitted to be in Japan in accordance with the terms of the Status of Forces Agreement between the two nations. However, the number of contractor personnel accounted for by U.S. Forces Japan in the first quarter of fiscal year 2016 (1,485) was not consistent with the number of contractor personnel reported in SPOT (approximately 900).
- III Marine Expeditionary Force on Okinawa relies on three information systems, including SPOT, to account for contractors and contractor personnel in a steady-state environment, but the numbers found in these systems are inconsistent. Specifically, the number of contractor personnel accounted for by III Marine Expeditionary Force as of June 2016 (approximately 500) was not consistent with the number of contractor personnel in SPOT for the area of responsibility (approximately 700).

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<sup>32</sup>PACOM is currently in a steady-state environment.

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- U.S. Forces Korea officials provided a detailed accounting of contractor personnel, specifying the number of individuals by geographic area and the number of dependents, and stated that the detail was a result of the Invited Contractor / Technical Representative Program that governs U.S. Forces Korea use of U.S. or third-country contractors. However, the number of contractor personnel accounted for by the Invited Contractor Program in Korea in July 2016 (2,527 U.S. contractor personnel) was not consistent with the number of contractor personnel in SPOT for the area of responsibility (approximately 300).

Such inconsistencies regarding contractor personnel accountability in a steady-state environment could present difficulties in an emergency or contingency operation. Joint Publication 4-10 notes that steady-state activities can have a significant impact on OCS in later phases of the operation, and, consequently, OCS planners should be aware of and pay close attention to steady-state activities that can provide critical information to support subsequent phases of an operation.<sup>33</sup> Similarly, in 2015, we reported that if DOD does not have timely and reliable contract and contractor personnel data, the department will not have complete visibility as to whom it may have to develop plans for, regarding such services as force protection, sustenance, and repatriation of injured or deceased contractor personnel.<sup>34</sup>

Without PACOM guidance clarifying the types of contractor personnel that should be accounted for in a steady-state environment, PACOM and its subordinate commands may continue to have limited visibility over contractor personnel. Similarly, without the development and implementation of guidance specifying a system of record, such as SPOT, for the collection of this information during a steady-state environment, PACOM may not have a comprehensive and consistent accounting of contractor personnel in its area of responsibility, which could potentially limit PACOM's visibility over contractor personnel for whom it may be responsible in the event of a contingency operation or an emergency.

In an attempt to clarify accountability guidance, PACOM issued additional guidance in November 2016. Among other things, the guidance requires

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<sup>33</sup>Joint Pub. 4-10, at I-10 (July 16, 2014).

<sup>34</sup>GAO, *Contingency Contracting: Contractor Personnel Tracking System Needs Better Plans and Guidance*, [GAO-15-250](#) (Washington, D.C.: Feb. 18, 2015).

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PACOM activities to report some contractor personnel by means of joint personnel status reporting and directs subordinate commands to implement SPOT as directed by PACOM headquarters. However, the guidance excludes foreign nationals from the contractor personnel to be reported via the Joint Personnel Status Report database. In addition, it does not specify a system of record to be used for all contractor personnel in steady-state environments.

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### PACOM Does Not Systematically Vet Foreign Vendors or Have a Vendor Vetting Process in Place

DOD guidance generally discusses the benefits of vendor vetting in the OCS context, but does not require combatant commands to establish vendor vetting processes. For example, Joint Publication 4-10 discusses the benefit of establishing a vendor vetting cell, when circumstances warrant, to vet foreign vendors for possible security concerns and avoid awarding contracts to companies that have ties to insurgents.<sup>35</sup> Similarly, in 2011, we reported on the importance of establishing vendor vetting processes to help mitigate the risk that malign actors could profit from U.S. government contracts in the context of contracting with local vendors during operations in Afghanistan.<sup>36</sup>

PACOM headquarters officials stated that the combatant command is aware of the importance of foreign-vendor vetting, but, in the absence of specific requirements from DOD, the command does not have a documented vendor vetting mechanism, such as a vendor vetting cell or other process by which to vet vendors. PACOM headquarters intelligence officials stated that they may occasionally receive requests to assist with vetting of a specific vendor from other headquarters directorates or supporting commands. Officials noted that in those cases, PACOM's intelligence directorate—the joint directorate identified in Joint Publication 4-10 as having key OCS duties related to vendor vetting—responds to the request by relying on the standing vendor vetting cell within U.S. Transportation Command to evaluate the level of operational risk posed by contracting with a commercial vendor. Officials noted that U.S. Transportation Command's vendor vetting cell has served as a resource for other combatant commands in lieu of establishing their own corresponding cell. However, OSD officials stated that the cell at U.S.

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<sup>35</sup>See Joint Pub. 4-10, at III-27 to III-28 (July 16, 2014).

<sup>36</sup>GAO, *Afghanistan: U.S. Efforts to Vet Non-U.S. Vendors Need Improvement*, [GAO-11-135](#) (Washington, D.C.: June 8, 2011).

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Transportation Command could be overwhelmed if the number of vetting requests from other combatant commands continues to rise.

Officials at PACOM headquarters and subordinate commands have taken several additional actions regarding vendor vetting, including incorporating vendor vetting into PACOM exercises and screening contractor personnel through background checks and badging processes.

Additionally, PACOM has developed antiterrorism guidance with vendor vetting considerations. However, while the antiterrorism guidance presents a checklist of questions for evaluating how contracting aligns with the command's overall antiterrorism program, it does not discuss the operational conditions under which a foreign-vendor vetting cell would be established or outline a process for conducting comprehensive foreign-vendor vetting through a cell at the command or leverage an existing cell at another command.

From a department-wide perspective, DOD has begun to take steps to identify foreign-vendor vetting needs. According to the OCS Action Plan for Fiscal Years 2017–2020—the DOD document that assigns tasks to various stakeholders to operationalize OCS—foreign-vendor vetting is becoming increasingly important. OSD officials who developed the action plan added that the department is trying to determine how foreign-vendor vetting relates to and affects OCS. To this end, DOD established a foreign-vendor vetting working group in January 2017 to, among other things, define foreign-vendor vetting as a distinct function and provide combatant commanders with guidance on addressing the risks associated with relying on commercial vendors. According to officials, this working group is in its infancy, and DOD decision makers are still exploring which entities should be key stakeholders to vendor vetting, including which entity should have primary responsibility for vendor vetting.

Furthermore, officials indicated DOD is currently inclined to examine solutions that can address vendor vetting issues globally rather than requiring geographic combatant commands to establish their own vendor vetting cells. Additionally, according to OSD officials, the Office of the Under Secretary of Defense for Acquisition, Technology and Logistics drafted a directive-type memorandum related to the collection of intelligence-based vendor threat information through a mechanism such as a foreign-vendor vetting entity or cell in order to mitigate operational risk. Officials stated, however, that this memorandum will not be finalized

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until after the vendor vetting working group has collected more information to determine the best way forward.

In lieu of comprehensive department-wide guidance on vendor vetting, two other combatant commands—U.S. Africa Command and U.S. Central Command—have developed their own foreign-vendor vetting guidance. Specifically, we reported in 2015 that U.S. Africa Command had not established a foreign-vendor vetting process or vendor vetting cell that would preemptively identify vendors who support terrorist or other prohibited organizations. In response, U.S. Africa Command issued an instruction establishing a vendor vetting program, naming a service as the lead in establishing the capability and a joint staff intelligence directorate subdivision to provide support. Under the instruction, the vendor vetting cell would likely operate in contingency operation environments as well as in some steady-state environments. Similarly, U.S. Central Command established a vendor vetting cell to vet non-U.S. vendors in Afghanistan to minimize the risk of insurgents or criminal groups using contracts to fund their operations. PACOM headquarters officials, however, stated the command does not plan to issue vendor vetting guidance in the absence of overarching DOD guidance on how vendor vetting should be addressed at a combatant command.

While the establishment of a foreign-vendor vetting cell may not be appropriate for all operations or circumstances, published DOD guidance specifying under what circumstances and how a vetting cell should be established would better position PACOM and other combatant commands to avoid contracting with the enemy in high-threat areas. Furthermore, as the recently established working group identifies DOD entities to be key stakeholders in vendor vetting, including which entity should have primary responsibility for vendor vetting, PACOM could consider developing its own vendor vetting guidance as other combatant commands have done, to prepare for the event that it becomes actively engaged in hostilities.

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## PACOM Established an Interim Organizational Structure to Manage and Oversee OCS, but the Future Organizational Structure Is Focused in the Logistics Directorate

In June 2014, PACOM established an interim organizational structure to oversee and manage OCS in its area of responsibility. DOD introduced the concept of an OCS Integration Cell in a 2014 update to Joint Publication 4-10 as a permanent, full-time cell at the combatant-command level that can, among other things, provide staff integration by assisting and advising the directorates of a combatant command on determining OCS requirements as well as conducting the initial planning for and coordination of OCS tasks.<sup>37</sup> In PACOM, the role of the OCS Integration Cell is performed by the OCS Mission Integrator Demonstration—a 3-year pilot program that began in June 2014 and is scheduled to end in June 2017. The pilot program is designed to establish OCS as an enduring, warfighting capability that supports implementation of Joint Force 2020.<sup>38</sup>

The intent of the OCS Mission Integrator Demonstration is to establish OCS as an enduring capability to provide the combatant command, subordinate unified commands, and service components a central entity to integrate OCS across joint functions—in effect, to operationalize OCS within PACOM—in steady-state and contingency environments. Specifically, the PACOM OCS Mission Integrator Demonstration has three primary purposes:

- establish a capability to address current PACOM gaps regarding the ability to plan and integrate OCS into operations and training;
- contribute to the department’s mandate to improve acquisition processes through training and continuous improvement in the qualifications and experience both of the acquisition workforce and of nonacquisition personnel; and
- inform OCS force development across DOD.

PACOM officials provided examples of how the OCS Mission Integrator Demonstration has enhanced OCS capabilities at PACOM through training in Joint Operational Contract Support Planning and Execution

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<sup>37</sup>See, e.g., Joint Pub. 4-10, app. D (July 16, 2014). According to Joint Publication 4-10, the OCS Integration Cell is a permanent, full-time cell at the combatant-command level and is normally stood up as a full-time cell at the subordinate joint-force-command level for the duration of the command’s existence. *Id.* at III-7.

<sup>38</sup>Joint Force 2020 is the vision outlined in defense strategic guidance for the joint force by the year 2020. See Department of Defense, *Sustaining U.S. Global Leadership: Priorities for 21st Century Defense* (January 2012).

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Courses at PACOM, and the integration of key OCS features or practices into four major exercises, including the OCS Joint Exercise 2015, Talisman Sabre, Pacific Sentry, and Keen Edge. See appendix II for additional details on the integration of OCS into these exercises.

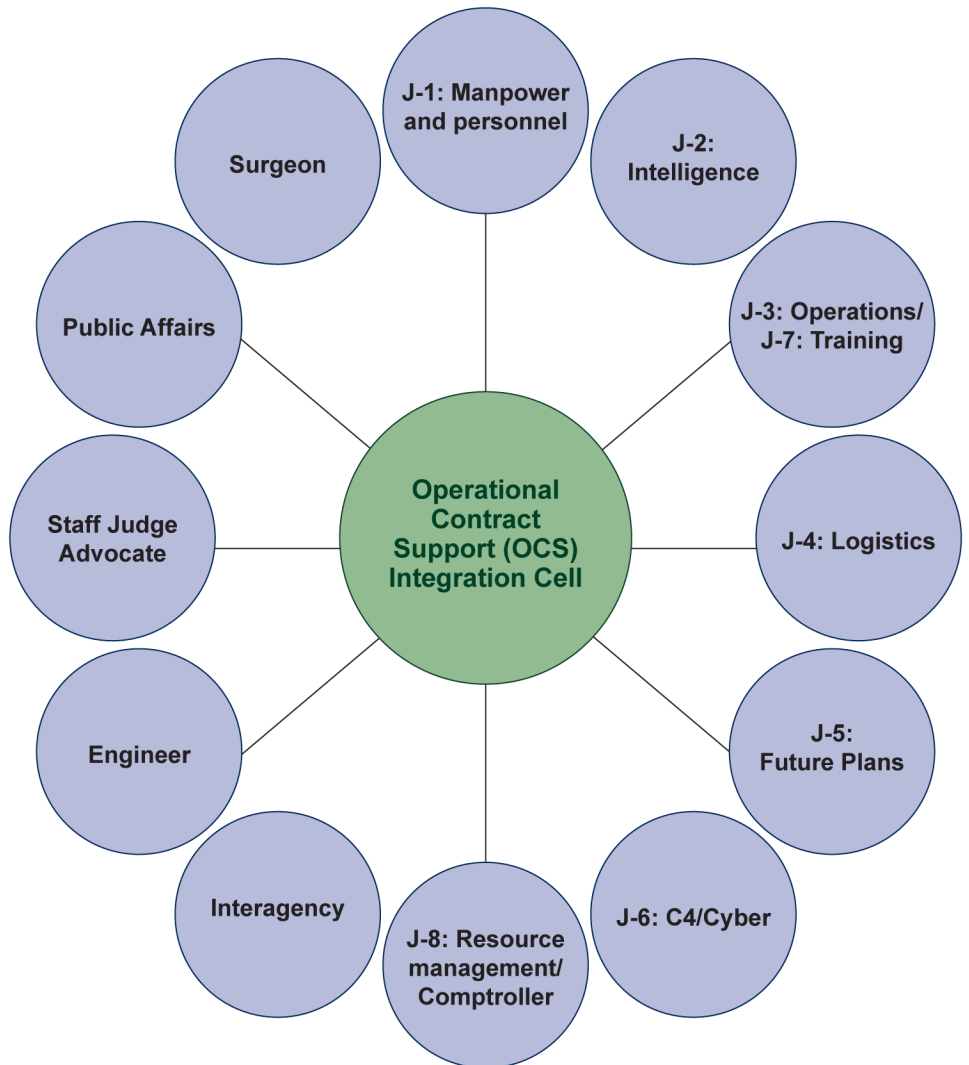
The OCS Mission Integrator Demonstration team comprises military personnel assigned to PACOM, two Joint Contingency Acquisition Support Office (JCASO) civilian planners, and six contractor personnel. These personnel are all located in PACOM's J4 logistics directorate and the logistics directorates in three of PACOM's service component commands, although the distribution has varied during the 3 years of the experiment. Officials stated that this horizontal and vertical integration—horizontally across the PACOM logistics directorate and vertically down to the logistics directorates within the service components—will remain in place through 2017, and acknowledged it has both advantages and disadvantages. For example, PACOM officials stated that maintaining a separate OCS branch within the logistics directorate simplifies assignment tasking, but makes it more difficult to embrace OCS outside of the designated OCS billets.

DOD, Joint Staff, and PACOM guidance indicate the important role directorates beyond logistics should play as stakeholders in OCS. As described by Joint Publication 4-10, an OCS Integration Cell leads the OCS planning and integration efforts across multiple staff sections, helping to ensure OCS is fully embedded and integrated throughout the command structure, as depicted in figure 2 below.<sup>39</sup>

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<sup>39</sup>See, e.g., Joint Pub. 4-10, at III-7, D-1 to D-7 (July 16, 2014).

**Figure 2: Operational Contract Support Integration Cell's Staff Integration Function within a Command**



Source: Department of Defense. | GAO-17-428

Note: DOD's combatant commands are typically organized into directorates (designated as Js in the figure). This figure is a general depiction of a combatant command's structure; individual structures may vary.



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In October 2016, DOD issued *Command and Staff Guide to Operational Contract Support*, which identifies key OCS questions a commander should ensure staff across multiple directorates can answer.<sup>40</sup> For example:

- J1 personnel directorate: How many DOD contractors are in the operational area? What is the breakdown of contractor personnel with respect to U.S. citizens, third-country nationals, and local nationals?
- J2 intelligence directorate: How are vendors being vetted? How are the vetting results communicated within DOD and among U.S. government agencies?
- J3 operations directorate: How is the command measuring the operational impacts of contracts? What is our process for determining base access?

Further, joint doctrine identifies a key OCS principle that states that contracted support is not restricted to logistics support, but may include significant nonlogistic support as well. Joint doctrine also notes that close coordination between all primary and special staff members is required to ensure OCS planning balances effectiveness with efficiency and risk while seeking to attain the commander's strategic end state.<sup>41</sup> The Joint Staff is in the process of developing an OCS planning manual that, according to officials, would encourage OCS integration with all staff directorates at a combatant command. Specifically, officials stated the manual will discuss ways in which a command can ensure OCS equities are being considered from all directorates, including hosting OCS Integration Cell meetings open to all command staff. However, as of February 2017, this manual had not been issued.

PACOM guidance also recognizes the important role directorates beyond logistics should play as stakeholders in OCS. Specifically, PACOM's OCS guidance identifies recommended planning considerations for command directorates, including nonlogistics directorates, with respect to OCS within the command's area of responsibility in preparation for a contingency operation.<sup>42</sup> For example:

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<sup>40</sup> See DOD, *Command and Staff Guide to Operational Contract Support*, at 16 (Oct. 25, 2016).

<sup>41</sup> Joint Pub. 4-10, at I-9, III-3 (July 16, 2014).

<sup>42</sup> See PACOM Instruction 0601.7, *Operational Contract Support*, para. 10 (Aug. 21, 2012).

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- J1 Manpower and Personnel Directorate is to provide status reports (through SPOT) to DOD on contractors authorized to accompany the force and to develop contractor reception policies and procedures in coordination with the J3 Operations Directorate.
  - J2 Intelligence Directorate is to conduct intelligence-specific activities associated with data reported in SPOT, as required.
  - J3 Operations Directorate is to integrate SPOT data into Anti-Terrorism Force Protection networks.
  - J5 Strategic Planning and Policy Directorate is to provide awareness on joint planning tools in regard to generating OCS requirements and identifying capability gaps.

While each of these directorates has OCS responsibilities as outlined above, they did not have representation in the OCS Mission Integrator Demonstration. PACOM officials acknowledged that maintaining its OCS Integration Cell within the logistics directorate complicates assignment tasking outside of that directorate and reinforces the view of OCS as a separate function, making it difficult to integrate OCS efforts in other directorates. In addition, PACOM service component officials told us that the OCS Mission Integrator Demonstration might have been more effective if it integrated individuals from all joint staff functions, including other directorates beyond logistics. Officials from one component told us they thought a key purpose of the OCS Mission Integrator Demonstration was to engage all staff directorates in OCS issues and integrate OCS across all joint functions to best optimize total force capability, which may not have been optimally met by placing the pilot program within the logistics directorate.

PACOM has not determined the size and organizational structure of an entity managing OCS following the conclusion of the pilot in June 2017. PACOM officials told us the future OCS capability, at a minimum, will consist of one military officer and the two civilian embedded planners from JCASO and will remain within the logistics directorate.

We have previously reported that because DOD doctrine recognizes that OCS is more than just logistical support, it is important that a significant culture change occur, one that emphasizes OCS throughout all aspects of the department, including planning, training, and personnel requirements. Moreover, as we reported in 2013, DOD has faced challenges integrating

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OCS in functional areas beyond logistics.<sup>43</sup> For example, we determined that combatant commands and their components were not planning for the potential use of contractors in areas where they may be needed beyond logistics such as communications. Additionally, we reported that OCS planners embedded in a combatant command do not typically focus on OCS matters in areas beyond logistics, leaving DOD at risk of being unprepared to plan and manage deployed contractor personnel across functional areas and provide the necessary oversight during future operations. By considering ways to integrate individuals from all joint staff functions beyond the logistics area into its enduring OCS organizational structure, PACOM may be better positioned to build upon the progress made during the OCS Mission Integrator Demonstration and more effectively integrate OCS across the command.

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## PACOM Has Integrated OCS Annexes into Operational and Concept Plans, but the Information Lacks Details on Contractor Management and Support Estimates

PACOM has integrated OCS into 6 of its 11 operational, concept, and campaign plans for potential contingencies by developing OCS annexes—known as Annex Ws—that are required by DOD guidance for certain plans, but the annexes lack details on contractor management and support estimates in required appendixes.<sup>44</sup> PACOM planners from the OCS Mission Integrator Demonstration as well as the plans directorate worked with logistics directorate officials at PACOM headquarters, the service component commands, and subordinate unified commands to develop the annexes. PACOM officials noted that although the 5 remaining plans do not require the annex, they will update them with Annex Ws as planning cycles dictate and resources allow, and noted that personnel will have to prioritize planning efforts when the OCS Mission Integrator Demonstration pilot program ends in June 2017, as previously discussed.

According to joint doctrine, an Annex W is the primary means used by combatant command staff, subordinate staff, service components, and other organizations to document OCS in operation plans.<sup>45</sup> DOD

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<sup>43</sup>[GAO-13-212](#).

<sup>44</sup>During a visit to PACOM in July 2016, we reviewed and analyzed five operational or concept plans and concluded that OCS was integrated into the plans. In January 2017, PACOM officials told us that they had completed a sixth Annex W. We were unable to review this particular plan, but are reporting that PACOM has completed annexes for six plans based on the officials' statements.

<sup>45</sup>Joint Pub. 4-10, at III-14 (July 16, 2014).

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Instruction 3020.41 directs combatant commanders to include an Annex W in operation plans and in concept plans with time-phased force and deployment data.<sup>46</sup> Additionally, Chairman of the Joint Chiefs of Staff Manual 3130.03 identifies the key components of an Annex W, including a description of key OCS-related planning assumptions and limiting factors, key tasks for subordinate units, and commercial sourcing for nonlogistics support such as intelligence and communications, as well as logistics support such as commodities, base life support, and common equipment maintenance.<sup>47</sup> PACOM's annexes generally include these elements, such as assumptions about the number and types of services that may require contract support (e.g., bottled water, base life support, construction, and maintenance).

However, we determined that PACOM Annex Ws lacked detailed information in appendixes required by guidance. Specifically, Chairman of the Joint Chiefs of Staff Manual 3130.03 identifies the key components of an Annex W, including three appendixes.<sup>48</sup> For example, these appendixes should include a

- Summary of Contracting Capabilities and Capacities Support Estimate, which identifies the estimated numbers of support personnel for each assigned unit, designated locations, and key contracting organizations;
- Contractor Management Plan, which focuses on contractor personnel and equipment tasks, to include contractor personnel accountability, as well as government-furnished support and equipment; and
- Summary of Contractor Support Estimate, which includes estimates of the number of contractors authorized to accompany the force by operational phase and capability area.

We found PACOM's Annex Ws do not have precise information in their Summary of Contracting Capabilities and Capacities Support Estimate,

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<sup>46</sup>See DODI 3020.41, encl. 2, para. 2.a (Dec. 20, 2011); see also 32 C.F.R. § 158.6(b)(1). Although DOD Instruction 3020.41 does not specifically require an Annex W as part of the Theater Campaign Plan, PACOM officials identified this plan as a plan for which the command required an Annex W.

<sup>47</sup>See generally Chairman of the Joint Chiefs of Staff Manual 3130.03, *Adaptive Planning and Execution (APEX) Planning Formats and Guidance*, encl. E, app. W (Annex W) (Oct. 18, 2012).

<sup>48</sup>See *id.*

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Contractor Management Plans, and Summary of Contractor Support Estimate appendixes. While the details of these annexes are classified, in general the appendixes did not always include the estimated number of support personnel or key contracting organizations. Additionally, some of the appendixes did not include the number of contractors authorized to accompany the force by operational phase and capability area.

PACOM officials stated that they face several challenges with regard to including this detail in appendixes. For example, PACOM headquarters and service component officials identified challenges related to planning cycles and the tendency of operational planners to review only the annexes that pertain to their own issue areas. Additionally, officials stated that other challenges hinder requirements development, which is a necessary step to developing the needed details for Annex W appendixes. For example, requirements development can be hindered by limited access to the operational environment in order to conduct site surveys, as well as dependence on host nations to support site surveys. Officials also stated that lack of visibility into details regarding the capabilities that will be available during a contingency makes it difficult to develop detailed requirements.

Despite these limitations, progress has been made by selected PACOM subordinate commands regarding requirements development. For example, officials from III Marine Expeditionary Force stated that they are working to address this concern through the development of a Marine Requirements and Resourcing Review Board. According to officials, this board will focus not just on requirements, but also on the resources that will be needed to obtain them. The board reviews all contracts for III Marine Expeditionary Force, validates the resourcing for those contracts, prioritizes the current and future requirements in relation to the resources, and makes recommendations to the Deputy Commanding General. Because the board validates not just the requirement but also the resources available to fulfill that requirement, officials stated that it should help to obtain information that could be useful in Annex Ws and their accompanying appendixes.

PACOM officials acknowledged the need to address these challenges and conducted a series of five OCS planning working groups from November 2016 to January 2017 to discuss the development of OCS requirements in support of planning efforts. Additionally, OCS working groups housed within the logistics directorate have been integrated into PACOM's daily planning activities in order to ensure that OCS equities are considered within the command's activities. The establishment of

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working groups and incorporation of OCS equities into the command's regular planning activities demonstrate progress in improving the development of OCS requirements. However, a lack of clarity continues to exist with respect to the roles and responsibilities associated with headquarters and service component officials and the level of detail needed in the development of Annex Ws and their appendixes. Specifically, PACOM officials stated that this information is not included in the completed Annex W appendixes that PACOM expects the requirements generators within the service components to provide. However, service component and subordinate unified command officials stated that they need additional guidance from PACOM or their service headquarters to determine the level of detail that is needed.

Combatant commanders have discretion regarding the amount of detail needed in the relevant annexes and their appendixes both at the combatant command and subordinate levels. However, service component officials stated that additional direction or an established mechanism for communication from PACOM headquarters or their service headquarters could help to clarify the level of detail needed to enhance the usefulness of the Annex Ws and their accompanying appendixes. Also, *Standards for Internal Control in the Federal Government* states that management should assign responsibility and delegate authority to achieve the entity's objectives, including determining the level of authority that should be delegated to key roles. Without guidance that clarifies roles and responsibilities as well as the process for requirements development to inform the development of Annex Ws and their appendixes, the annexes will continue to lack important details that are needed to determine OCS requirements and adequately plan for future operations.

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## Conclusions

While PACOM has taken steps to manage and oversee OCS, challenges remain in areas such as accounting for the total number of contractor personnel, vendor vetting, the enduring OCS organizational structure, and OCS requirements-development planning for incorporation into operational plans. PACOM's November 2016 personnel accountability guidance demonstrates progress toward addressing the collection of contractor personnel data, but it does not specifically account for third-country nationals and local nationals or specify a system of record to be used for all contractor personnel in steady-state environments. Additionally, DOD accountability guidance on the types of contractor personnel to account for in steady-state environments remains unclear. PACOM also has not established a foreign-vendor vetting process to

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preemptively identify vendors that support criminal, terrorist, or other sanctioned organizations due in part to a lack of DOD guidance specifying under what conditions a vendor vetting process or cell should be established. Additionally, without updated guidance that integrates individuals from directorates beyond logistics into the OCS Integration Cell, PACOM may lose some of the ground gained during the OCS Mission Integrator Demonstration. Finally, PACOM has made progress in developing OCS annexes to plans, but those annexes do not include precise and important details on contractor management. OCS is a critical force multiplier that supports U.S. military forces in the region when they respond rapidly to crises, such as threats including North Korea. PACOM's readiness is evaluated against its ability to execute operational and contingency plans, which place a premium on forward-stationed, ready forces that can exercise, train, and operate with our partner nations' militaries, and on follow-on forces, including contractor support, to be able to respond to operational contingencies.

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## Recommendations for Executive Action

We recommend that the Secretary of Defense take the following six actions:

To enable the department to enhance its visibility over contractor personnel for whom it may become responsible in the event of contingency and other applicable operations, we recommend that the Secretary of Defense, in coordination with the Chairman of the Joint Chiefs of Staff, update accountability guidance clarifying the types of contractor personnel that are to be accounted for in a steady-state environment.

To enable PACOM to consistently account for contractor personnel in its area of responsibility, we recommend that the Secretary of Defense direct the PACOM Commander to clarify contractor personnel accountability guidance for the collection of all contractor personnel data in a steady-state environment and specify a system of record, such as SPOT, for the collection of this information.

To ensure that combatant commands are not contracting with entities that may be connected to or supporting prohibited organizations, we recommend that the Secretary of Defense, in coordination with the Chairman of the Joint Chiefs of Staff, develop and issue guidance that clarifies the foreign-vendor vetting steps or process that should be established at each combatant command, including the operational

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conditions under which a foreign-vendor vetting cell should be established.

To ensure that PACOM is not contracting with entities that may be connected to or supporting prohibited organizations, we recommend that, while awaiting DOD guidance on vendor vetting, the Secretary of Defense direct the PACOM commander to consider developing vendor vetting guidance as other combatant commands have done, to prepare for the event that PACOM becomes actively engaged in hostilities.

To enable OCS to be fully embedded in the command structure at the command and continue to build upon the progress of integrating OCS into the command, we recommend that as PACOM updates OCS guidance, the Secretary of Defense direct the PACOM Commander to consider ways to ensure all joint staff functions beyond the logistics area are fully integrated into its OCS organizational structure and OCS Integration Cell.

To enable PACOM to better identify OCS requirements and incorporate those requirements into Annex Ws and their appendixes, we recommend that the Secretary of Defense direct the PACOM Commander to develop guidance that clarifies roles and responsibilities and the process that should be followed for OCS requirements development.

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## Agency Comments and Our Evaluation

In written comments on a draft of this report, DOD and PACOM concurred with two recommendations and partially concurred with four recommendations. Comments from DOD and PACOM are summarized below and reprinted in appendix III. DOD and PACOM also provided technical comments, which we incorporated as appropriate.

DOD concurred with the first recommendation that the Secretary of Defense, in coordination with the Chairman of the Joint Chiefs of Staff, update accountability guidance clarifying the types of contractor personnel that are to be accounted for in a steady state environment. In its response, DOD stated that DOD Instruction 3020.41, *Operational Contract Support*, is being updated, and will include guidance on the types of contractor personnel that are to be accounted for in Phase 0 operations, when directed by the combatant commander or joint task force commander, using SPOT. The department will also update Chairman of the Joint Chiefs of Staff Manual 3150.13C, *Joint Personnel Reporting Structure*—Personnel Manual, to clarify the types of contractor personnel that are to be accounted for, based on the updates to DOD Instruction 3020.41. We agree that these guidance updates, when



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completed and issued as stated, would meet the intent of the recommendation.

DOD partially concurred with the second recommendation that the PACOM Commander clarify contractor personnel accountability guidance for the collection of all contractor personnel data during a steady state environment and specify a system of record, such as SPOT, for the collection of this information. In its response, PACOM stated that the accountability instruction issued in November 2016, referenced earlier in this report, prescribes guidance for the reporting of DOD-affiliated personnel, to include contractors, in crisis, contingency, and steady state operations using the Joint Personnel Status Report as the system of record. Additionally, PACOM noted that it is conducting a feasibility assessment of implementing SPOT in Phase 0 operations in three countries where the majority of contractors currently work, and will conduct a review of its accountability instruction to further clarify contractor accountability and visibility guidance. We agree that the review of accountability guidance and the feasibility assessment would be beneficial in further clarifying contractor accountability and visibility guidance. As we discuss in the report, in the absence of clear accountability guidance from DOD, PACOM has used multiple mechanisms for contractor personnel accountability, which has resulted in inconsistent reporting. Additionally, PACOM's accountability guidance issued in November 2016 is limited in that it excludes foreign-national contractor personnel. This recommendation was intended to provide PACOM with the flexibility to identify a system of record in its accountability guidance for the collection of contractor personnel accountability information in a steady-state or Phase 0 environment so that PACOM could utilize a single mechanism for contractor personnel accountability. Without updated guidance to clarify what types of contractor personnel are to be accounted for in Phase 0 operations, as well as the identification of a system of record for contractor personnel accountability information, PACOM may not have a comprehensive and consistent accounting of contractor personnel in its area of responsibility, which could potentially limit PACOM's visibility over contractor personnel for whom it may be responsible in the event of a contingency operation or an emergency.

DOD partially concurred with the third recommendation that the Secretary of Defense, in coordination with the Chairman of the Joint Chiefs of Staff, develop and issue guidance that clarifies the foreign vendor vetting steps or process that should be established at each combatant command, including the operational conditions under which a foreign vendor vetting

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cell should be established. DOD agreed that it needs to develop and issue overarching guidance. As a result, DOD noted that, in October 2016, OSD and Joint Staff established a quarterly working group to develop a framework for intelligence-based vendor threat mitigation—vendor vetting—objectives across DOD. The working group identified three major objectives for DOD, including providing an overarching framework, identifying a DOD lead for program policy and oversight, and improving information sharing across DOD and other federal agencies. DOD indicated that an office within OSD, as part of the working group, has incorporated inputs through a draft directive type memorandum that will provide guidelines to meet the objectives while ensuring combatant commands retain the flexibility needed to tailor vetting programs to meet their specific theater and mission needs. However, DOD noted that under section 164 of Title 10, U.S. Code, combatant commanders have the authority to organize commands and forces as necessary to carry out missions. We agree with DOD’s assessment, and as we discuss in the report, the establishment of a foreign-vendor vetting cell may not be appropriate for all operations or circumstances. However, publishing guidance for the combatant commanders to consider in their decision and approach to establishing a foreign vendor cell would provide important information to guide their efforts. Therefore, we continue to believe that publishing DOD guidance identifying relevant operational conditions and how a vetting cell should be established would better position PACOM and other combatant commands to avoid contracting with the enemy in high-threat areas.

DOD concurred with the fourth recommendation that while awaiting DOD guidance on vendor vetting, the PACOM commander consider developing vendor vetting guidance as other combatant commands have done in the event that they become actively engaged in hostilities. In its response, PACOM stated that they have begun gathering facts and best practices regarding vendor vetting, and in the absence of DOD guidance, both the process and echelon at which vetting should occur deserves additional study and refinement. PACOM also stated that implementation of vendor vetting will be dependent on resource availability and priority, and ability to leverage the capabilities and accesses of a broader community of concern. We agree that PACOM’s further study and refinement of vendor vetting processes in its geographic area of responsibility would be beneficial in the absence of DOD vendor vetting guidance, and would meet the intent of the recommendation.

DOD partially concurred with the fifth recommendation for the PACOM Commander to consider ways to ensure all joint staff functions beyond

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the logistics area are fully integrated into its OCS organizational structure and OCS Integration Cell. In its response, PACOM stated that it will continue the ongoing process of publishing an updated OCS instruction, as we discussed in the report, including specific primary and special staff responsibilities related to OCS. However, PACOM stated that it integrates staff with the OCS Integration Cell through its established process for daily activities, including an OCS working group, but does not plan to physically integrate other staff members into the OCS Integration Cell. PACOM noted that it routinely integrates OCS with the greater staff by inviting representatives to the established OCS working group, based on agenda items, attending routine activities hosted by other staff directorates, and hosting an internal OCS working group with headquarters staff. We noted a number of these actions in the report and agree that they are beneficial to the integration of OCS throughout the staff directorates. Additionally, we recognize that Joint Publication 4-10 does not specifically call for representation from all staff within the OCS Integration Cell itself, and notes only that the OCSIC should be made up of a mixture of specially trained personnel with operational-level logistics and contingency contracting experience, as DOD states in its comments. However, as also noted in our report, PACOM officials stated that maintaining its OCS Integration Cell within the logistics directorate complicates assignment tasking outside of that directorate and reinforces the view of OCS as a separate function, making it difficult to integrate OCS efforts in other directorates. In addition, PACOM service component officials told us that the OCS Mission Integrator Demonstration might have been more effective if it integrated individuals from all joint staff functions, including other directorates beyond logistics. Accordingly, we continue to believe that PACOM should consider additional ways to ensure all joint staff functions beyond the logistics area are fully integrated into its OCS organizational structure and OCS Integration Cell.

DOD partially concurred with the sixth recommendation for the PACOM Commander to develop guidance that clarifies roles and responsibilities and the process that should be followed for OCS requirements development. In its response, PACOM stated that its requirements determination in support of planning requires improvement, but that its guidance is clear. Specifically, PACOM stated that existing published guidance from the Joint Staff logistics directorate and PACOM logistics directorate is clear and concise, and identifies the roles and responsibilities of the command and subordinate units regarding planning and the process of determining requirements. PACOM agreed that a need exists to emphasize existing guidance to subordinate commands in order to assist them in developing and documenting requirements.

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Emphasizing existing guidance is a good first step in improving the requirements development and documentation process. However, as discussed in the report, PACOM officials also stated that some key details are not included in the completed Annex W appendixes, which the command expects requirements generators within the service components to provide. Service component officials stated that additional direction or an established mechanism for communication from PACOM headquarters or their service headquarters could help to clarify the level of detail needed to enhance the usefulness of the Annex Ws and their accompanying appendixes. We continue to believe that until PACOM addresses this issue, annexes could continue to lack important details that are needed to determine OCS requirements and adequately plan for future operations.

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We are sending copies of this report to the appropriate congressional committees, the Secretary of Defense, Chairman of the Joint Chiefs of Staff, and the PACOM Commander. The report will also be available at no charge on GAO's website at <http://www.gao.gov>.

If you or your staff have questions about this report, please contact me at (202) 512-5431 or [russellc@gao.gov](mailto:russellc@gao.gov). Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of the final report. GAO staff who made key contributions to this report are listed in appendix IV.



Cary B. Russell  
Director  
Defense Capabilities and Management

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# Appendix I: Objectives, Scope, and Methodology

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The objectives of our review were to determine the extent to which U.S. Pacific Command (PACOM) has: (1) accounted for contractor personnel and has a process to vet foreign vendors in its area of responsibility; (2) an organizational structure to manage and oversee operational contract support (OCS); and (3) integrated OCS into key planning documents. The focus of this review was on PACOM and its subordinate service components and subordinate unified commands, including U.S. Army Pacific; U.S. Pacific Air Forces; U.S. Marine Forces, Pacific (inclusive of III Marine Expeditionary Force on the Japanese island of Okinawa); the U.S. Pacific Fleet; U.S. Forces Japan; and, U.S. Forces Korea. Further, in terms of our review of PACOM contractor personnel accountability and contractor vetting, our scope included only contract support in the PACOM area of responsibility, excluding contract support located at PACOM headquarters.

To determine the extent to which PACOM accounts for contractor personnel, we reviewed the Department of Defense (DOD), PACOM, and Joint Staff personnel accountability guidance and interviewed PACOM, service component, and subordinate unified command J1 personnel-directorate officials. We additionally requested, received, and reviewed Synchronized Predeployment and Operational Tracker (SPOT) data as of September 30, 2016, from the SPOT Program Management Office to determine the number of contractor personnel captured in SPOT for the PACOM area of responsibility. We conducted a data-reliability analysis of this information, including the transmittal of a data-accuracy and -completeness questionnaire to the SPOT Program Management Office. On the basis of the SPOT Program Management Office's responses to the team's data-reliability questionnaire and our prior reporting on SPOT, we determined the data are reliable for the purposes of identifying a "rough order of magnitude" in regard to the number of contractor personnel in the U.S. Pacific Command area of responsibility as of September 30, 2016. We compared these data to DOD and PACOM guidance regarding personnel accountability processes and reporting, including for contractor personnel.

To determine the extent to which PACOM has a process to vet contractors and contractor employees, we reviewed DOD, Joint Staff, and combatant command guidance on OCS and compared them to data collected in interviews with PACOM, service component, and subordinate unified command intelligence-directorate officials and other staff stakeholders. We additionally reviewed DOD OCS and acquisition guidance, DOD OCS action plans, U.S. Africa Command guidance, and a draft Office of the Secretary of Defense (OSD) memorandum.

To determine the extent to which PACOM has an organizational structure in place to manage and oversee OCS, we gathered information from and conducted interviews with officials at PACOM, service components, and subunified command headquarters, and compared it to DOD, PACOM, Joint Staff, and multiservice OCS guidance we reviewed that identifies roles and responsibilities for multiple directorates outside the logistics area with OCS equities. Additionally, we reviewed OCS Mission Integrator Demonstration documentation, including annual progress reports, combatant command briefing documents, combatant command after-action reports for theater exercises; and Joint Operational Planning and Execution Course documentation.

To determine the extent to which PACOM has integrated OCS into key planning documents, we gathered information from and conducted interviews with officials at PACOM, service components, and subunified command headquarters. We reviewed and analyzed the OCS annexes—Annex Ws—to PACOM’s theater campaign plan and operation plans to determine the extent to which they included key OCS concepts outlined in DOD and Chairman of the Joint Chiefs of Staff guidance, including whether they contained key details in annex appendixes related to contractor management plans, summaries of contractor support estimates, and summaries of contracting capabilities and capacities support estimates. To complete this review, we first identified and created a checklist of Annex W elements as specified in Chairman of the Joint Chiefs of Staff guidance regarding operation plan formats.<sup>1</sup> Then each of the three team members reviewed each Annex W and recorded whether the annex featured the specified information. We additionally analyzed the level of detail provided in the annex for each element. We then aggregated the observations completed for each annex, and the team members collectively identified generalizable trends regarding the extent to which the reviewed Annex Ws featured OCS concepts. The details of this analysis are classified.

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<sup>1</sup>Chairman of the Joint Chiefs of Staff Manual 3130.03, *Adaptive Planning and Execution (APEX) Planning Formats and Guidance* (Oct. 18, 2012).

We interviewed officials from the following DOD organizations during our review:

Department of Defense (DOD)

- Office of the Under Secretary of Defense for Acquisition, Technology and Logistics
- Defense Procurement and Acquisition Policy Directorate
- Office of the Under Secretary of Defense for Intelligence
- Joint Staff J4 (Logistics) Directorate
- Defense Logistics Agency

U.S. Pacific Command (PACOM)

- PACOM Headquarters, Honolulu, Hawaii
- PACOM J1 (Personnel) Directorate, Honolulu, Hawaii
- PACOM J2 (Intelligence) Directorate, Honolulu, Hawaii
- PACOM J3 (Operations) Directorate, Honolulu, Hawaii
- PACOM J4 (Logistics) Directorate, Honolulu, Hawaii
- PACOM OCS Mission Integrator Demonstration, Honolulu, Hawaii
- U.S. Forces Japan Headquarters, Yokota Air Base, Japan
- U.S. Army Garrison, Camp Zama, Japan
- U.S. Forces Korea Headquarters, Seoul, South Korea
- 411th Contract Support Brigade, Seoul, South Korea

Department of the Air Force

- Department of the Air Force, Arlington, Virginia
- U.S. Pacific Air Forces, Honolulu, Hawaii
- U.S. Air Force A1 (Personnel), Honolulu, Hawaii
- U.S. Air Force A2 (Intelligence), Honolulu, Hawaii
- U.S. Air Force A3 (Operations), Honolulu, Hawaii
- U.S. Air Force A4 (Logistics), Honolulu, Hawaii
- 374th Contracting Squadron U.S. Air Force Japan, Yokota Air Base, Japan

Department of the Army

- Department of the Army, Arlington, Virginia
- U.S. Army Pacific, Honolulu, Hawaii
- U.S. Army Pacific G1 (Personnel), Honolulu, Hawaii
- U.S. Army Pacific G2 (Intelligence), Honolulu, Hawaii
- U.S. Army Pacific G3 (Operations), Honolulu, Hawaii
- U.S. Army Pacific G4 (Logistics), Honolulu, Hawaii
- 413th Contracting Support Brigade, Honolulu, Hawaii

Department of the Navy

- Department of the Navy, Arlington, Virginia
- U.S. Commander, Pacific Fleet, Honolulu, Hawaii
- U.S. Commander, Pacific Fleet N1 (Personnel), Honolulu, Hawaii
- U.S. Commander, Pacific Fleet N2 (Intelligence), Honolulu, Hawaii
- U.S. Commander, Pacific Fleet N3 (Operations), Honolulu, Hawaii
- U.S. Commander, Pacific Fleet N4 (Logistics), Honolulu, Hawaii
- Naval Facilities Command Pacific, Honolulu, Hawaii
- Headquarters, U.S. Marine Corps, Arlington, Virginia
- U.S. Marine Corps Pacific Forces, Honolulu, Hawaii
- U.S. Marine Corps Pacific Forces G-1 (Personnel) Directorate, Honolulu, Hawaii
- U.S. Marine Corps Pacific Forces G-2 (Intelligence) Directorate, Honolulu, Hawaii
- U.S. Marine Corps Pacific Forces G-3 (Operations) Directorate, Honolulu, Hawaii
- U.S. Marine Corps Pacific Forces G-4 (Logistics) Directorate, Honolulu, Hawaii
- III Marine Expeditionary Force, Okinawa, Japan
- III Marine Expeditionary Force G-1 (Personnel) Directorate, Okinawa, Japan
- III Marine Expeditionary Force G-2 (Intelligence) Directorate, Okinawa, Japan



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- III Marine Expeditionary Force G-3 (Operations) Directorate, Okinawa, Japan
  - III Marine Expeditionary Force G-4 (Logistics) Directorate, Okinawa, Japan

We conducted this performance audit from December 2015 to June 2017 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

# Appendix II: Operational Contract Support Features and Practices Included in U.S. Pacific Command Exercises

Operational Contract Support (OCS) Mission Integrator Demonstration personnel developed numerous OCS-related features or practices that were incorporated into at least one of the four major exercises at various U.S. Pacific Command (PACOM) command levels. Table 1 below provides additional details on the integration of OCS into these exercises.

**Table 1: Operational Contract Support Features and Practices Included in U.S. Pacific Command Exercises 2015–2016**

Master scenario event list feature or practice <sup>a</sup>	Command level	Exercise and date	Outcome
Assess steady state contracting coordination to determine need for transition to Lead Service for Contracting or Joint Theater Support Contracting Command	U.S. Pacific Command Headquarters	Pacific Sentry August 2015	U.S. Pacific Command (PACOM) planners, in coordination with subunified, functional, and service component planners, examined the issue in the Operational Contract Support (OCS) Working Group and recommended the optimal contracting organization construct upon transition from steady state to Phase One. The OCS Working Group briefed recommendations to the Joint Contracting Support Board and presented recommendations to the Joint Staff logistics directorate. This effort is intended to inform development of the Annex W for an operational plan.
		OCS Joint Exercise April 2015	Efforts in the OCS joint exercise facilitated the assessment detailed above for Pacific Sentry.
		Keen Edge 16 January 2016	Staff developed and briefed a draft decision support matrix to facilitate a decision to transition from Lead Service for Contracting Coordination to Lead Service for Contracting.
Intent to establish functional / service component OCS Integration Cell	U.S. Army Pacific Pacific Fleet Pacific Air Forces	OCS Joint Exercise April 2015	After this exercise, Pacific Air Forces directed establishment of an OCS Integration Cell in a Pacific Air Forces Supplement to Air Force Instruction 13-103 and is working an OCS Integration Cell charter. Due to lack of resources and a desire for continuity with PACOM, Pacific Air Forces implemented an OCS Working Group in June 2016.
		Pacific Sentry August 2015	After Pacific Sentry, U.S. Army Pacific established an external OCS Working Group, which started meeting monthly in September 2015 and is working to establish an internal OCS Working Group with U.S. Army Pacific staff. PACOM officials told us that Pacific Fleet briefed its intent to establish an OCS Working Group, but has not formally established it. According to officials, components have a task in the Theater Campaign Plan and Theater Campaign Order to establish OCS Integration Cells as required to support OCS planning and execution.
		Keen Edge January 2016	During Keen Edge, PACOM deployed two contractor personnel to help establish an OCS Integration Cell at U.S. Forces Japan with a three-member Joint Contingency Acquisition Support Office (JCASO) mission support team to support U.S. Forces Japan in implementing OCS training objectives for the exercise.

**Appendix II: Operational Contract Support  
Features and Practices Included in U.S. Pacific  
Command Exercises**

<b>Master scenario event list feature or practice<sup>a</sup></b>	<b>Command level</b>	<b>Exercise and date</b>	<b>Outcome</b>
Contractor vetting and medical screening guidance	7th Fleet U.S. Army Pacific	OCS Joint Exercise April 2015	OCS planners conducted cross-functional coordination with the PACOM headquarters, 7th Fleet, and U.S. Army Pacific personnel within the intelligence directorate and surgeon staffs.
		Talisman Sabre July 2015	Combined Task Force J34 facilitated two meetings that included intelligence-directorate personnel and provided vetting considerations. According to PACOM officials, Combined Task Force Surgeon developed medical guidance for contractors.
		Pacific Sentry August 2015	U.S. Army Pacific Surgeon committed to participate in an OCS Working Group during Phase 0.
Risk assessment for reliance on contractor performance	PACOM Headquarters	Pacific Sentry August 2015	OCS planners conducted vertical coordination through the OCS Working Group to solicit component and subunified input, and briefed the consolidated input at the Joint Contracting Support Board. After the exercise, PACOM formally solicited input from subunified commands and service components. This action facilitates further horizontal and vertical coordination at the subunified command level.
Synchronized Predeployment and Operational Tracker (SPOT) Implementation Plan	PACOM Headquarters	Pacific Sentry August 2015	OCS planners conducted cross-functional coordination with the personnel directorate and addressed this issue in the Personnel Working Group. The working group conducted vertical coordination through the OCS Working Group. Additionally, U.S. Forces Korea conducted a SPOT proof of principle and is working to codify guidance for potential implementation. According to PACOM officials, U.S. Forces Korea and U.S. Forces Japan have a task in the Theater Campaign Plan to assess feasibility of implementing Synchronized Predeployment and Operational Tracker (SPOT) in steady-state operations.
Guidance on private security contractors and arming of contractors for personal protection	PACOM Headquarters	OCS Joint Exercise April 2015	Cross-functional coordination with the intelligence directorate and operations exercise participants highlighted the lack of PACOM guidance in these areas. A real-world request for an arming delegation in summer 2015 provided an opportunity to reengage on this policy gap. This real-world issue amplified the observation from OCS Joint Exercise 2015 about the need for guidance in this area. In December 2015, PACOM J34 staffed a draft PACOM Instruction on arming of contractor personnel. The instruction was published in March 2016.
Counter threat finance guidance	Pacific Fleet	Pacific Sentry August 2015	OCS planners conducted cross functional coordination with the Pacific Fleet staff and vertical coordination with the operations directorate Counter Threat Finance cell.

**Appendix II: Operational Contract Support  
Features and Practices Included in U.S. Pacific  
Command Exercises**

<b>Master scenario event list feature or practice<sup>a</sup></b>	<b>Command level</b>	<b>Exercise and date</b>	<b>Outcome</b>
Conduct Joint Requirements Review Board meeting	PACOM Headquarters 7th Fleet U.S. Forces Japan	OCS Joint Exercise April 2015	OCS Joint Exercise 2015 and Talisman Sabre provided an opportunity to familiarize cross functional staff participants with the Joint Requirements Review Board. During OCS Joint Exercise 2015, participants from PACOM's operations and logistics directorates provided valuable insight on the validation and prioritization of the requirements and concerns related to anti-terrorism and force protection.
		Talisman Sabre July 2015	
		Pacific Sentry August 2015	
Request Joint Contingency Acquisition Support Office (JCASO) mission support team augmentation	PACOM Headquarters	Keen Edge January 2016	During Keen Edge, U.S. Forces Japan conducted a Joint Requirements Review Board, followed by a Joint Contracting Support Board meeting to address validated requirements.
		OCS Joint Exercise April 2015	
		Pacific Sentry August 2015	
		Keen Edge January 2016	PACOM coordinated with the Combined Task Force on the development of a request for support from the JCASO mission support team and developed a request for forces to support the requirement.
		Pacific Sentry August 2015	
		Keen Edge January 2016	
		Keen Edge January 2016	PACOM developed a draft decision support matrix to facilitate the decision process to request a mission support team.

Source: GAO. | GAO-17-428

<sup>a</sup>According to Chairman of the Joint Chiefs of Staff Manual 3500.03E, Joint Training Manual for the Armed Forces of the United States (Apr. 20, 2015), a joint master scenario event list includes a collection of prescribed events intended to guide an exercise toward specific outcomes. Appendix III: Comments from the Department of Defense

# Appendix III: Comments from the Department of Defense



LOGISTICS AND  
MATERIEL READINESS

OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE  
3500 DEFENSE PENTAGON  
WASHINGTON, DC 20301-3500

MAY 18 2017

Mr. Cary Russell  
Director, Defense Capabilities and Management  
U.S. Government Accountability Office  
441 G Street, NW  
Washington, DC 20548

Dear Mr. Russell,

This is the Department of Defense (DoD) response to the GAO Draft Report GAO-17-428, "OPERATIONAL CONTRACT SUPPORT: Actions Needed to Enhance Capabilities in the Pacific," dated April 14, 2017 (GAO Code 100470).

The Department is providing official written comments for inclusion in the report.

Sincerely,

A handwritten signature in black ink, appearing to read "Kristin K. French".

Kristin K. French  
Acting Assistant Secretary of Defense  
Logistics and Materiel Readiness

GAO DRAFT REPORT DATED APRIL 14, 2017  
GAO-17-428 (GAO CODE 100470)

“OPERATIONAL CONTRACT SUPPORT: ACTIONS NEEDED TO ENHANCE  
CAPABILITIES IN THE PACIFIC”

DEPARTMENT OF DEFENSE COMMENTS  
TO THE GAO RECOMMENDATIONS

**RECOMMENDATION 1:** To enable the department to enhance its visibility over contractor personnel for whom it may become responsible in the event of contingency and other applicable operations, the GAO recommend that the Secretary of Defense, in coordination with the Chairman of the Joint Chiefs of Staff, update accountability guidance clarifying the types of contractor personnel that are to be accounted for in a steady state environment.

**DoD RESPONSE:** Concur with updating guidance to clarify accountability for contractor personnel by type. DoDI 3020.41, Operational Contract Support, is currently being updated and will include guidance on the types of contractor personnel that are to be accounted for during Phase 0 operations, when directed by the CCDR or JTF Commander, using the Synchronized Predeployment and Operational Tracker. The Department will update CJCSM 3150.13C, Joint Personnel Reporting Structure - Personnel Manual to clarify the types of contractor personnel that are to be accounted for based on the updates to DoDI 3020.41.

**RECOMMENDATION 2:** To enable PACOM to consistently account for contractor personnel in its area of responsibility, the GAO recommends that the PACOM Commander clarify contractor personnel accountability guidance for the collection of all contractor personnel data during a steady state environment and specify a system of record, such as SPOT, for the collection of this information.

**USPACOM RESPONSE:** Partially concur. USPACOM published USPACOM Instruction 0250.1 (Theater Personnel Accountability, Visibility, and Strength Reporting in the United States Pacific Command Area of Responsibility) in November 2016. This instruction prescribes guidance for reporting of DoD-affiliated personnel, to include contractors, in crisis, contingency, and steady state operations using the Joint Personnel Status Report, which is the system of record. Additionally, as directed by the Fiscal Year 2017-2018 USPACOM Theater Campaign Order, USPACOM is currently conducting a feasibility assessment of implementing SPOT in Phase 0 operations in three countries where the majority of contractors currently work. USPACOM will conduct a review of USPACOM Instruction 0250.1 to further clarify contractor accountability and visibility guidance.

**RECOMMENDATION 3:** To ensure that combatant commands are not contracting with entities that may be connected to or supporting prohibited organizations, the GAO recommend that the Secretary of Defense, in coordination with the Chairman of the Joint Chiefs of Staff, develop and issue guidance that clarifies the foreign vendor vetting steps or process that should be established at each combatant command, including the operational conditions under which a foreign vendor vetting cell should be established.

**DoD RESPONSE:** Partially Concur. DoD concurs with the development and issuance of overarching guidance and partially concurs with the development and issuance of guidance that clarifies the foreign vendor vetting steps or process that should be established at each combatant command, including operational conditions under which a foreign vendor vetting cell should be established. In October 2016, OUSD/AT&L/DPAP and the Joint Staff J4 established a quarterly working group to develop an enterprise-wide framework for intelligence-based vendor threat mitigation (IVTM) objectives across DoD. The working group identified three major objectives for the DoD: (1) Provide overarching programmatic framework, (2) Identify lead for DoD program policy and oversight, (3) Improve information sharing across DoD and Other Federal agencies. OUSD/AT&L/PS, as part of the IVTM working group, has incorporated inputs from the IVTM working group, through a Directive Type Memorandum (DTM), providing overarching guidelines to meet the three objectives, while ensuring Combatant Commands retain flexibilities required to tailor vetting programs that meet their specific theater and mission requirements pursuant to authorities granted under 10 U.S. Code § 164 - Commanders of combatant commands: assignment; powers and duties, combatant commanders have the authority to organize commands and forces as necessary to carry out missions.

**RECOMMENDATION 4:** To ensure that PACOM is not contracting with entities that may be connected to or supporting prohibited organizations, the GAO recommend that, while awaiting DOD guidance on vendor vetting, the PACOM commander consider developing vendor vetting guidance as other combatant commands have done in the event that they become actively engaged in hostilities

**USPACOM RESPONSE:** Concur. USPACOM has already begun gathering facts and best practices regarding vendor vetting. In the absence of DOD guidance, both the process and echelon at which vetting should occur deserves additional study and refinement. Implementation of vendor vetting will be dependent on resource availability and priority, and ability to leverage the capabilities and accesses of a broader community of concern.

**RECOMMENDATION 5:** To enable OCS to be fully embedded in the command structure at the command and continue to build upon the progress of integrating OCS into the command, the GAO recommend that as PACOM updates OCS guidance, the PACOM Commander consider ways to ensure all joint staff functions beyond the logistics area are fully integrated into its OCS organizational structure and OCS Integration Cell

**USPACOM RESPONSE:** Partially concur. USPACOM concurs with the need to publish updated OCS guidance and partially concurs with the GAO recommendation to consider ways to ensure all joint staff functions beyond the logistics area are fully integrated into the OCS organizational structure and OCS Integration Cell. USPACOM currently integrates the primary and special staffs with the OCS Integration Cell through the established battle rhythm process, including an OCS Working Group. USPACOM will not physically integrate members of the primary and special staffs into the OCS Integration Cell. According to Joint Publication 4-10, an OCS Integration Cell consists of a mixture of specially trained personnel with operational-level logistics and contingency contracting experience while the OCS Working Group normally includes a mixture of primary and special staff members as well as subordinate commands. USPACOM routinely integrates OCS with the greater staff by inviting representatives to the established OCS Working Group, based on agenda items, attending battle rhythm events hosted by other staff directorates, or hosting an internal OCS

Working Group with headquarters staff. USPACOM will continue the ongoing process of publishing a revised OCS Instruction including specific primary and special staffs OCS-related responsibilities, which will facilitate future discussions in established battle rhythm events.

**RECOMMENDATION 6:** To enable PACOM to better identify OCS requirements and incorporate those requirements into Annex Ws and their appendices, the GAO recommend that the PACOM Commander develop guidance that clarifies roles and responsibilities and the process that should be followed for OCS requirements development.

**USPACOM RESPONSE:** Partially concur. USPACOM concurs that requirements determination in support of planning requires improvement and partially concurs with the recommendation to develop guidance that clarifies the roles and responsibilities and the process that should be followed for requirements development. Currently published guidance is clear and concise at the Joint Staff J4 and USPACOM J4 levels. Guidance identifies the roles and responsibilities of the command and subordinate units in regards to planning and the process in determining requirements. These key references include the most recently published USPACOM level four operations plan, the USPACOM Time-Phased Force and Deployment Data Letter of Instruction, the Adaptive Planning and Execution manual, and the Logistics Supplement for the 2015 Joint Strategic Capabilities Plan. Additionally, the draft CJCSM 4301.01, Planning OCS, further clarifies the roles and responsibilities of the Geographic Combatant Commands and their subordinates. Combined, these documents provide product template examples and the process to determine requirements. USPACOM will emphasize relevant portions of published guidance in the Annex W to both the next Theater Campaign Order and Theater Campaign Plan to facilitate subordinate commands ability to identify and document requirements.



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# Appendix IV: GAO Contact and Staff Acknowledgments

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## GAO Contact

Cary Russell, (202) 512-5431 or [russellc@gao.gov](mailto:russellc@gao.gov)

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## Staff Acknowledgments

In addition to the contact named above, James A. Reynolds, Assistant Director; Courtney Reid-Bond, Analyst in Charge; Vijay Barnabas; Ricardo Marquez; Richard Powelson; Michael Shaughnessy; Mike Silver; Amie Lesser; and Cheryl Weissman made contributions to this report.

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# Related GAO Products

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*Operational Contract Support: Additional Actions Needed to Manage, Account for, and Vet Defense Contractors in Africa.* [GAO-16-105](#). Washington, D.C.: December 17, 2015.

*Operational Contract Support: Actions Needed to Enhance the Collection, Integration, and Sharing of Lessons Learned.* [GAO-15-243](#). Washington, D.C.: March 16, 2015.

*Contingency Contracting: Contractor Personnel Tracking System Needs Better Plans and Guidance.* [GAO-15-250](#). Washington, D.C.: February 18, 2015.

*High Risk Series: An Update.* [GAO-15-290](#). Washington, D.C.: February 11, 2015.

*Defense Acquisitions: Update on DOD's Efforts to Implement a Common Contractor Manpower Data System.* [GAO-14-491R](#). Washington, D.C.: May 19, 2014.

*Warfighter Support: DOD Needs Additional Steps to Fully Integrate Operational Contract Support into Contingency Planning.* [GAO-13-212](#). Washington, D.C.: February 8, 2013.

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