



Contract Maintenance Support Trend, Impact, and Future

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Briefing Outline

- Historical Reliance
- Operational Contracting
- Influencing Factors
- Stryker Maintenance Concept
- Revisiting Risk Management
- Stryker Long-Term Strategy
- Lingering Issues





Historical Reliance

Situation

- Contractors served alongside our armed forces in every major war & campaign...
- Historical trend is our military increasingly relies on contractors...
- As of April 2008, more than **197K** DoD contractors in CENTCOM AOR
 - ❖ With over 15,700 injured and 455 killed

(Source: GAO-09-19)

Conflict	Contractor	Military	Ratio
Revolutionary War	2	9	1 to 6
Mexican-American War	6	33	1 to 6
Civil War	200	1,000	1 to 5
Spanish-American War	n.a.	35	n.a.
World War I	85	2,000	1 to 24
World War II	734	5,400	1 to 7
Korea	156	393	1 to 2.5
Vietnam	70	359	1 to 5
Gulf War	9	500	1 to 55
Balkans	20	20	1 to 1
Iraq Theater as of Early 2008	190	200	1 to 1

(in 1,000s)

Contractors Are Force Multipliers—Freeing Soldiers For Other Duties

However...

“Notwithstanding there being almost as many contractor personnel in the Kuwait/Iraq/Afghanistan Theater as there are U.S. military, the Operational Army does not yet recognize the impact of contracting and contractors in expeditionary operations and on mission success.”

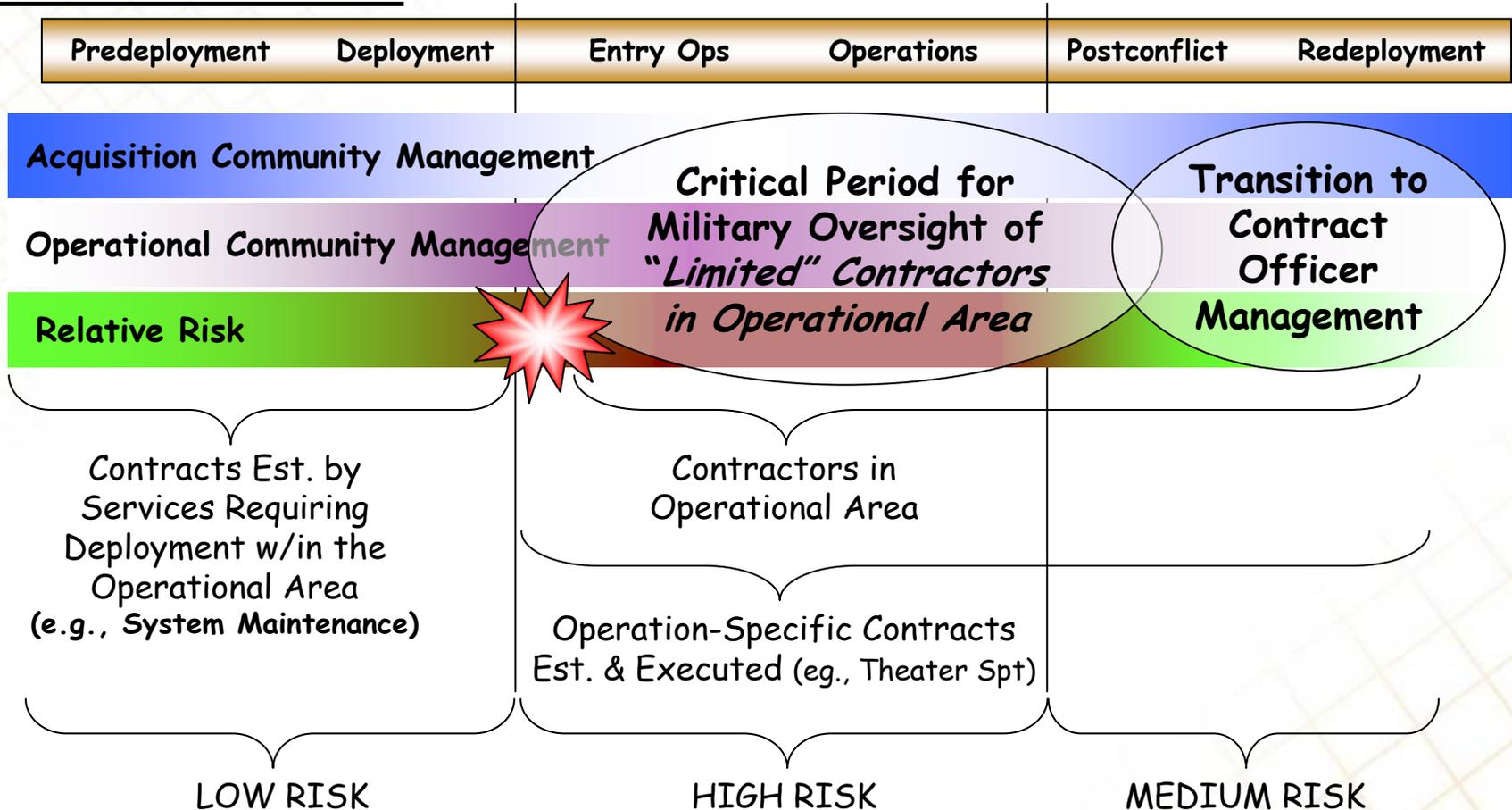
(Gansler Commission Report, Urgent Reform Required: Army Expeditionary Contracting, 2007)

Contractors --with our Military in every conflict!



Operational Contracting

When/Where/How:



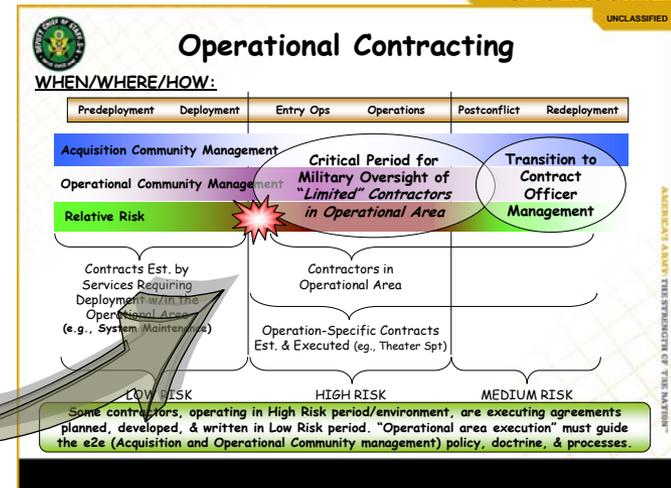
Some contractors, operating in High Risk period/environment, are executing agreements planned, developed, & written in Low Risk period. "Operational area execution" must guide the e2e (Acquisition and Operational Community management) policy, doctrine, & processes.

Planning for utilization in the operational area-is critical.



Influencing Factors

- Increased reliance on contractors is *an evolution*; not driven by a single policy or principle:
- **Downsizing military** (and civilian) forces over the last 25 years:
 - The shift to an all-volunteer force;
 - Effort to capture a “peace dividend” after collapse of the Soviet Union;
 - Many service and support functions being outsourced as a result of Office of Management and Budget (OMB) Circular A-76 and performance-based logistics concepts; and
- **Increasing technical complexity** of weapons systems and equipment requires specialized technical expertise.
- Title 10 Section 129a *authorizes* while DoDI 3020.37 and DoDD 1100.4 *directs the use* of most effective mix of the Total Force, cost and other factors considered, including *contracts*, to fulfill mission.
- **Force structure adapted** to this environment - increasing contractors - both at home and deployed.



Contractors help in areas crucial to mission success.



Stryker Maintenance Concept

An
Example

Early Entry Capability

The Stryker Brigade Combat Team responds to the CSA's challenge to, "...provide **early entry forces** that can operate jointly, without access to fixed forward bases, but we still need the power to slug it out and win decisively." GEN Shinseki (U.S. Army, Retired) CSA, 23 June 1999

But... With Interim Contractor Logistics Support (ICLS)

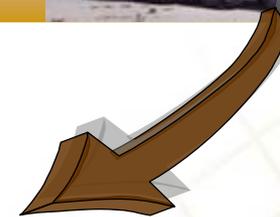
Contractors:

- Performed all unscheduled maintenance
- Performed all scheduled services
- Provided all parts outside standard systems



❖ At What Cost?

- Commander's Operational Flexibility
- Contractor's Safety While in Hostile Area
- Force Protection Requirements
- Soldier MOS skill levels
- Army Logistics Force Structure



Original support plan contract centric.



Revisiting Risk Management

Risk Management

- The Army has not fully defined the *military tasks* which should not be performed by contract personnel during certain *campaign phases and/or on-the-ground conditions*
 - Risk associated with using contractors in a operational area during any phase of a campaign must be systematically assessed, mitigated, and/or accepted.
 - Risk, not only to the well being of contract employees, but to mission success, may mandate organic performance of tasks.
 - Risk mitigation and effectiveness relative to efficiency made in peacetime, must ultimately be weighed through the appropriate level-of-hostility/operational lens.

**Support Concept
Revision Needed**



Risk to be actively managed... Not necessarily eliminated.



Stryker Long-Term Strategy

Maintenance

- Transition to organic mechanics for unscheduled maintenance vice use of embedded contractor personnel.
 - Increase the Brigades M/TOE by 105 personnel of various MOSs;
 - Add a significant number of 63B wheeled vehicle mechanics; and
 - Contractor service team and some FSRs for tech advice are retained.

ICLS To Organic Supportability Migration

➤ FY 09 - FY11

Contractors perform scheduled services & provide all parts outside standard systems

Transition to organic capability for unscheduled maintenance



➤ FY 11 - and beyond

Contractors perform scheduled services & provides FSRs for tech advise and assistance

Organic performs all unscheduled maintenance & parts via standard systems

(Based on the Sustainment Readiness Review Army Systems Acquisition Review Council Overarching Integrated Product Team decision)



Lingering Issues

- Efficiency & Effectiveness Issues—Garrison & Operational Areas
- Balancing Risk During Early Entry & Readiness of Complex Systems
- Acquisition and Combat Development Community Partnering
- Integrating ICLS into the Fabric of the Logistics Enterprise
- Multiple Supply Chains
- System Complexity
- Soldier Proficiency
- Force Structure Priorities
- Others...

