

Post-Hearing Questions for the Record
Submitted to
Ms. Kathryn Condon, Executive Director, Army National Cemeteries Program
From Senator McCaskill
“Contract Management at Arlington National Cemetery”
Tuesday, January 25, 2011, 2:30 P.M.
United States Senate, Subcommittee on Contracting Oversight,
Committee on Homeland Security and Governmental Affairs

1. Following the efforts by the Army National Cemeteries Program (ANCP) to consolidate, terminate, or not renew unnecessary contracts for Arlington National Cemetery, what are the number, value, duration, and scope of ANCP’s current information technology contracts?

Answer: As part of the efforts by ANCP to consolidate, terminate, or not renew unnecessary contracts, ANCP leveraged Army expertise for information technology (IT) support. Currently 12 information technology task orders or contracts support Arlington National Cemetery, valued at \$3.9M for an annual period of performance. Ten of these contracts, of which nine are annual service requirements, leverage the enterprise contracts managed by the Army Information Technology Agency, the Army Analytics Group, and the USACE Army Geospatial Center under the established agreements among all organizations. In two of these contracts, ANC serves as the Contracting Officer Representative (COR). Leveraging these enterprise contracts enables ANC to address IT security vulnerabilities and conduct necessary IT system upgrades which include, but are not limited to: the design of a software application which enabled the accountability task force to digitize, verify, and store ground site records into a central database system and the digitization of historical records for inclusion in this database; development of a Geospatial Information System (GIS) to enhance internal operations and visitors’ experiences at the cemetery along with data collection efforts required to create a digital map of all gravesites; establishing a responsive ANC call center along with case management capabilities; and an improved web site that serves as the platform for information and outreach to our families. Arlington National Cemetery continues development of its Enterprise Architecture which will provide analysis of ANCP’s future information technology needs and an acquisition blueprint aligned to ANCP’s fiscal year 2017 target state “to-be” business processes.

2. What are the advantages and disadvantages of no-year funding? Would you support replacing ANCP’s no-year funding mechanism with a fiscal-year funding mechanism?

Answer: The primary advantage to ANCP maintaining its no-year funding status is to afford it flexibility to fund long-termed projects. Maintaining ANCP’s appropriation under MILCON/VA/Related Agencies as a stand-alone appropriation, ANCP must fully justify and support all necessary expenses for its operation from this appropriation source. ANCP has no legal means available to acquire additional funds from DoD or Army to influence capital improvement, operation or maintenance requirements, forcing long-term budgeting solutions to

address immediate needs. By continuing its no-year funding status, ANCP would be able continue to use funds reconciled from prior year un-liquidated obligations and reallocate these funds to aid in resolving some deficiencies without having to defer items in its spending plan. This maximizes each dollar appropriated.

The principle disadvantage to no-year funding is that it requires increased management oversight monitoring, and reconciliation of prior year obligated balances. This requires continuous examination of contracts, interagency agreements, and other funding obligations for as long as these funds have not been expended. Close coordination between contracting officers and vendors must also be maintained to ensure that contract close-out activities have been accomplished so that full reconciliation can occur.

3. GAO reported that the Army Audit Agency discovered approximately \$27.8 million in unobligated funds at ANCP and was only able to recover \$15 million of those funds. After the hearing the Army reported that ANCP had recovered approximately \$26.7 million in unobligated funds and re-obligated \$24.4 million of those funds. Can ANCP account for the approximately \$1.1 million in remaining unobligated funds? How does ANCP plan to use the remaining \$2.3 million in recovered unobligated funds?

Answer: As a point of clarification, the referenced Army Audit Agency (AAA) Report (A-2011-0078-FFM) identified that Arlington National Cemetery (ANC) had accumulated \$27.8 million of un-liquidated obligations (ULOs). That report properly defines a ULO as, “the amount of obligations that haven’t been liquidated by payments, or more simply put, obligations less disbursements.”

As previously submitted, Arlington has fully accounted for these funds. The following chart details ANC’s prior year reconciliation progress to date:

	Funding	Net Obligation	Net Disbursement	Un- liquidated Obligation
As reported by A-2011-0078-FFM (STANFINS data as of 30 September 2010)	\$223,521,200	\$210,607,551	\$182,832,798	\$27,774,753
STANFINS data as of 14 February 2012	\$196,758,000	\$194,431,672	\$189,812,951	\$4,618,722

The \$26.8 million reduction in Prior Year Funding represents the previously identified amount already recovered from prior years 2004-2010. The \$16.2 million reduction in Net Obligations represents obligations which have been reduced or eliminated since the date of the initial report. The \$7 million increase in Net Disbursements represents Obligations which were un-liquidated

at the time of the AAA report, that were valid and have since disbursed. Through these actions, the total amount of Un-liquidated Obligations has decreased from \$27.8 to \$4.6 million.

Of the \$4.6 million remaining ULOs, \$1.6 million currently is being recovered, \$2.6 million has been submitted for review and closeout to the appropriate Army contracting agency and \$336 thousand still is funding active contracts. We have begun an internal review regarding the remaining \$60 thousand.

Arlington has made great strides fiscally since the spring of 2010, and we would not have been able to come so far so fast without the recovering prior year funding. There still is more to do. We are working diligently to modernize cemetery operations, address years of facility maintenance and repair backlogs, and address Information Technology system upgrades. The remaining prior year funds will serve to mitigate some of these critical needs.

4. Arlington National Cemetery turned to the Army Analytic Group to help build a customized application called the Task Force Research Tool (TFRT) for tracking gravesite records, digital, and other information. Does ANCP plan to speak with the Army about using in-house resources as a model to be used elsewhere in the Army and the Department of Defense to help stem the increasing costs of contracting?

Answer: ANC will recommend to the Secretary to evaluate his options in this regard. Using our interactions with AAG as a model in other applications has considerable merit, especially given their actual track record on other critical projects.

5. GAO found that 61% of Arlington's contract obligations for the 2010 fiscal year and the first three quarters of the 2011 fiscal year were for landscaping, custodial, and guard services. Has ANCP assessed whether it would be cheaper long-term to provide these services in-house?

Answer: ANC, in partnership with the Mission and Installation Contracting Command (MICC), is scheduled to implement a Joint Acquisition Review Board (JARB) in 3rd Qtr FY2012 to reevaluate all base and service contract needs to determine if existing support can be achieved utilizing in-house resources, other like service contracts, and/or sustained arrangement.

6. Using the Federal Procurement Database System, GAO was only able to identify 34 of the 56 contracts awarded to support Arlington during the 2010 fiscal year and first three quarters of the 2011 fiscal year. One of the reasons for this discrepancy is because the contracting support agencies that the ANCP works with do not uniformly use the Arlington funding office identification number, a unique code that is intended to identify contracts specific to Arlington. What are you doing to resolve this problem?

Answer: ANC is taking steps to achieve greater fidelity in the contracting management and reporting efforts. Along this path, ANC, in partnership with Army Contracting Command, is developing and plans an incremental release of the Virtual Contracting Enterprise (VCE) – Pre-Award Contracting Tool to capture all of its contracting requirements. The VCE pre-award tool

eventually will serve as the single contract repository source for contracting actions and is scheduled to interface with the Federal Procurement Data System – Next Generation (FPDS-NG) along with other related contracting database systems and tools utilized by the various contracting stakeholders. This single interface and repository will mitigate the disparity across the Army contracting organizations to identify contracts in support of ANC and other customers. In addition to addressing the need for the single repository of contract information, VCE provides additional tools that will enable ANC to efficiently manage its oversight functions with the use of the established Customer Data Center (CDC). VCE tools include the Contracting Officer Representatives (COR) module which tracks and manages COR nominees, existing CORs and COR contract management; Paperless Contract File (PCF) a secure, web-based virtual contracting office that enables complete document management, storage, and workflow solutions; requirements portal which provides a centralized method for contracting offices to receive, assign, and track actions in a standardized manner; and the Acquisition Source Selection Interactive Support Tool (ASSIST) which provides a secure, web-based selection data management and workflow tool designed to aid with Source Selection Evaluation Boards (SSEBs). The use of the VCE suite of tools will improve the visibility and auditing of ANC contracts, and the associated oversight functions, for DoD-wide organization via the VCE's Customer Data Center.

7. Does ANCP have complete data of all of its contracts in a single database?

Answer: ANC's on-site Contract Support Element (CSE) maintains the complete data of all the ANC contracts utilizing a tracking spreadsheet for new requirements and awarded contracts. Incremental software releases are made on the Army Contracting Command's Virtual Contracting Enterprise (VCE) suite of web-enabled contracting management tools. Once the relation to the Department of Defense (DoD) wide data extract is completed with VCE by the end of fiscal year 2012, it will allow VCE to pull data from Federal Procurement Data System – Next Generation (FPDS-NG), enabling visibility on all contracts awarded in support of ANC throughout the DoD.

8. Please provide the Subcommittee with a copy of ANCP's campaign plan.

Answer: The link to access the campaign plan was sent to the subcommittees on February 15, 2012.

The Campaign Plan now is publicly available on the ANC website, under the About Us -- Mission & Vision page (<http://www.arlingtoncemetery.mil/AboutUs/MissionVision.aspx>).