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# United States Senate

COMMITTEE ON  
HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS

WASHINGTON, DC 20510-6250

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July 21, 2014

The Honorable Chuck Hagel  
Secretary  
U.S. Department of Defense  
1000 Defense Pentagon  
Washington, DC 20301-1000

Dear Mr. Secretary:

As you are aware, for the past several years, I have pushed for increased accountability and transparency in the costs associated with using contractors. In March 2012, I held a hearing entitled “Contractors: How Much Are They Costing the Government?,” to assess how federal agencies were trying to account for the cost of contractors. At the hearing, I highlighted the Army’s Contractor Manpower Reporting Application (CMRA), a system developed by the Army to collect information regarding service contractors. At the time, the Army was far ahead of the Department in tracking this information, despite the fact that the Department of Defense has been statutorily required to collect this data since 2008.<sup>1</sup>

Since the hearing, I have followed closely the Department’s work to implement the service contractor inventory Department-wide. In November 2013, my staff met with the Army, Personnel and Readiness, and the Office of Business Transformation to review the Department’s progress and whether there had been sufficient collaboration between components to share information and technology. At the time, I received assurances that progress was being made, and that the Department was on track to getting all of the components to use the data.

I recently learned that, despite the assurances I received, the Department of Defense is struggling to meet the statutory requirements to track service contracts. The Government Accountability Office (GAO) found that there are still outstanding issues that the Department needs to address in order to move forward with implementation of a common data system. Currently, there are four independent CMRA systems that are being used by 32 components, which in 2012 left \$58 billion of \$187 billion in service contract obligations unreported. In addition, the Department is still working out the rules and business processes needed to standardize the system across the Department. It is also uncertain whether the Department will

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<sup>1</sup> 10 U.S.C. § 2330a.

be able to dedicate the resources necessary for this effort, including standing up an office responsible for implementation.<sup>2</sup>

This service contract data is needed in order to allow the Department to finally align its budget to the realities of its workforce. As GAO noted, the Department still has not addressed the statutory requirement to assess the appropriate mix of civilian, military and contractor workforce needs. GAO also found that the Department's strategic workforce plan was not fully aligned with its budget process or other strategic workforce-management initiatives. Until the Department knows how much it is spending on service contracts, it will be unable to have a fully informed budget process.<sup>3</sup>

To assess the current status of the Department's efforts to fully account for the cost of its contractors, I request that you provide information regarding the progress that the Department has made in establishing a common reporting application to collect data on the use of service contractors and the creation of an office to support the effort to implement this application Department-wide. I also request that provide answers to the following questions:

- (1) What components of the Department are currently not reporting contractor data, and what specific progress have those components made toward implementation? If no progress has been made, why not?
- (2) What is the Department's current timeline for full implementation, including developing rules and standardized business processes, to bring all components onto the system and to rely on the data for budget analysis?
- (3) What financial resources are necessary for each step of implementation, including the common reporting application and the Total Force Management Support Office?
- (4) What are the specific challenges of creating a common reporting application and how much progress has been made toward creation?
- (5) Has the Total Force Management Support Office been stood up? If so, how many full-time employees does it have? If not, why not?
- (6) Who is or will be in charge of the Total Force Management Support Office? To whom will he or she report?
- (7) Will the Total Force Management Support Office have the authority to direct implementation efforts in individual components?
- (8) What role will the Army play in working with the Total Force Management Support Office?

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<sup>2</sup> Government Accountability Office, *Defense Acquisitions: Update on DOD's Efforts to Implement a Common Contractor Manpower Data System* (GAO-14-419R) (May 19, 2014).

<sup>3</sup> *Id.*

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Please provide this information as soon as possible, but no later than **August 8, 2014**.

The jurisdiction of the Subcommittee on Financial and Contracting Oversight is set forth in Senate Rule XXV clause 1(k); Senate Resolution 445 section 101 (108th Congress); and Senate Resolution 64 (113th Congress).

I appreciate your assistance. Please contact Sarah Garcia with the Subcommittee at (202) 224-5602 with any questions. Please send any official correspondence relating to this request to [Kelsey\\_Stroud@hsgac.senate.gov](mailto:Kelsey_Stroud@hsgac.senate.gov).

Sincerely,



Claire McCaskill  
Chairman  
Subcommittee on Financial and Contracting  
Oversight

cc: Ron Johnson  
Ranking Member  
Subcommittee on Financial and Contracting Oversight