

Contract Management – A Fundamental Component of Any Resource Management Program

“IMCOM’s Services and Infrastructure Enterprise Contract Management Program”

By Brigadier General Thomas A. Horlander

Today’s Defense leaders are faced with a daunting challenge. Simply stated, the nation’s economy cannot sustain the level of defense spending that the country has experienced since the attacks of September 11th. Over the past decade, the US Defense Budget has more than doubled. The US Army’s top line has more than tripled, growing from \$78B in 2000 at a meteoric pace to over \$250B in 2009. A growth of this speed and magnitude cannot be achieved through rapid organizational change in a bureaucratic giant like the Department of Defense. Therefore, much of this growth, by design has come in the way of contracts: staff augmentation contracts, service contracts, weapon system procurement contracts and large enterprise systems acquired through contracts. In virtually every aspect of national security, contractors are present and contributing. From Highly Qualified Executives (HQEs), think tanks and expert advisory/consulting services at the highest levels of Defense, to aviation and vehicle mechanics, groundskeepers and dishwashers at the tactical level, an outsourced capability is integral to virtually every operation.

“Contracts must be adequately managed from start to finish ensuring funds are spent wisely. Government-wide assessment of contracts is needed in order to identify those contracts that are wasteful or inefficient. In addition, Federal agencies should be sensitive to contractors performing inherently governmental activities that should not be outsourced.”¹

President Barak Obama, March 4, 2009

The National Security apparatus’s dependence on contracted capability has never been greater in our nation’s history. In the US Army alone, taxpayers spend over 50% of the service’s annual budget on outsourced capabilities (contracts), spending on the average over \$400M a day on contracted capabilities and the Army’s ability to manage these contracts has not grown commensurate with its dependence on them. The Army’s Installation Management Command (IMCOM) represents a microcosm of this dependence, spending over 50% of its Base Operation Support (BOS) funding on service contracts. The other major capability areas in the Installation Management Community are also very heavily contracted. These include 1) the Sustainment, Restoration and Modernization (SRM) of the Army’s existing infrastructure; 2) Army Family Housing Operations (AFH-O) which is almost totally privatized and operated by a contractor; 3) Military Construction (MILCON) of new buildings and real property to replace those that have outlived their life span or to support key legislation like Base Realignment and Closure (BRAC) and the growth and movement of Army formations to other operating bases; and 4) the support to Overseas Contingency Operations (OCO -formerly known as Global War On Terror(GWOT)) ensuring the Army’s deploying and redeploying formations from the theater of War are fully supported and prepared to conduct their mission throughout the Army Force Generation (ARFORGEN) continuum and that their families at home are well cared for.

To ensure the Army maximizes its purchasing power throughout its installations and exacts a greater level of fiscal discipline, IMCOM developed and implemented a comprehensive contract management program to empower its leaders to better manage and resource its installation services contracts. Commonly referred to as “SIECMP” (Services and Infrastructure Enterprise

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Contract Management Program), the program was implemented in 2009 and has matured as an invaluable tool that has allowed key leaders at the Garrison and IMCOM Headquarters level to make better, fiscally informed contracting and resourcing decisions about the Army’s installation’s services. Implemented properly, the program provides the leader / decision maker full contract visibility and a holistic view of the outsourced capabilities that

his/her organization depends on and thereby providing him/her the ability to make more fiscally and operationally sound sourcing decisions.

IMCOM developed SIECMP as a Leader’s program and built it, founded on three fundamental Lines of Effort (LOE’s). LOE 1 was to establish a structured management program. To achieve this, IMCOM developed a Contract Management Contract Officer (CMSO) position and authorized each garrison to hire one individual that provided the leadership a dedicated manager to help the garrison manage the entire contracting spectrum from requirements generation and validation to contract execution and closure. Within this LOE lies the most important facet of SIECMP -- the periodic conduct of Contract Planning and Review Boards at established intervals that complement and inform both operational and resourcing activities in an organization. Finally, the command would seek over time to develop and mature a comprehensive contract database that could serve as an authoritative and current source for all the Command’s service contracts. LOE 2 seeks to leverage Enterprise Sourcing and other available tools to ensure the command maximizes efficiencies by contracting like services in the same manner and where it makes sense, utilizing an enterprise level contracting vehicle that has the potential for large savings (i.e the storage of privately owned vehicles (POV’s) for deployed soldiers deploying from CONUS installations). LOE 3 seeks to professionally develop key non-acquisition personnel by conducting full spectrum training for leadership and management personnel. Currently, the command conducts CMSO training via Defense Connect Online, has instructed the program at Command level symposiums and forums to mid-level management and has integrated instruction about the SIECMP in key executive leadership courses like the General Officer Senior Commander’s Course and the Garrison Commander’s Course. While the command has realized varying degrees of success and progress within each of these three LOEs, the progress is evident in the program’s first year of operations as Garrisons conducted 5 SIECMP Quarterly Contract Review Boards and reported identifying cost avoidance and

“In an organization that spends over 50% of its annual funding program on contracts, a leader cannot afford to not have a contract management program where the leaders and managers of the organization are integrally involved. “

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savings estimated at approximately \$50M dollars.

With just a little over a full year in operation at the Garrison level, SIECMP still has room for improvement and greater opportunities for the Installation Management Community. The keys to its continued success are contingent upon the same leaders who rely upon it to empower them to make sound contracting and resourcing decisions. Deployed with a dedicated staff (i.e. CMSO), key leadership involvement, disciplined review, analysis and reporting, and integrating it into the organization's resource management program are tantamount to its success and maximizing its benefit to an organization. SIECMP is not without precedence and is applicable at virtually every level in any environment. Similar programs have been deployed in tactical and operational units and in a deployed environment in support of Operation Iraqi Freedom with excellent results. SIECMP is a powerful tool to aid commanders in one of their fundamental duties of being good stewards of the Army's resources while providing quality installation services to the Soldiers, Families and Civilians we are privileged to serve.

The Army's ability to fiscally sustain itself as the world's premier fighting force is dependent on key programs like SIECMP and others to ensure leaders have the capability to make sound and timely sourcing and resourcing decision that fully support ARFORGEN operations and other key operating and generating force requirements while maximizing the purchasing power of a decreasing budget.

To learn more about IMCOM's Services and Infrastructure Enterprise Contract Management Program, log on to <https://www.us.army.mil/suite/page/604044> or contact Mr Chris Greiman (IMCOM G8 SIECMP Program Manager) at christopher.greiman@us.army.mil / 210.424.8792 or Ms Kathy Thomas (IMCOM G8 Acquisition and Sourcing Division Chief) at kathy.j.thomas@us.army.mil / 201.424.8620.

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¹President Obama in his White House Memorandum entitled *Government Contracting* for the Heads of Executive Departments and Agencies released March 4, 2009.