

Army contractor count stymied by red tape

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More than two years after then-Army Secretary Thomas White ordered the service to gather information on its contractor workforce, including firms that support military operations, the service has collected no data, according to Army officials.

The project, authorized in a [March 2002 memorandum](#) from White, was intended to give the Army more visibility of its contractors, showing the units they support, the offices that administer their contracts, and the total number of contract workers on the service's payroll. No single Army office currently tracks such information.

But despite White's order, and an additional endorsement by the Business Initiative Council, a Pentagon management reform group, the Army project has been delayed by procedural hurdles. "The initiative has not started implementation yet," said an Army official, who spoke on condition of anonymity. "Most of the time since approval of the initiative by the [Business Initiative Council] has involved compliance with the Paperwork Reduction Act process."

White, reached by telephone Wednesday, was flummoxed by the Army's slow progress. "I just don't understand how the [Paperwork Reduction Act] would come into play here," he said. "I think if you are looking at controlling manpower costs and you are in the business of outsourcing . . . you would want to have a very firm grip on how much contract labor you were paying for as a principal cost of doing business."

Some observers said the project, if implemented earlier, could have yielded information on Army contractors now working in Iraq. "It appears that a law enacted to minimize red tape, the Paperwork Reduction Act, has been used to delay the Army's ability to collect data to account for contractors in war zones," said Dan Guttman, a government contracting expert at Johns Hopkins University. Several lawmakers, including Reps. Ike Skelton, D-Mo., and Jan Schakowsky, D-Ill., have pressed the Pentagon for data on how many contract workers are supporting the U.S. military in Iraq.

But Stan Soloway, president of the Professional Services Council, a contractor association in Arlington, Va., said the Army had adequate information on contractors at the unit level. "If that's not visible at the headquarters level ... that's an internal systems issue within the Army," he said Wednesday.

One major Army contractor routinely provides employee data to the Pentagon: Kellogg Brown & Root (KBR), a division of Halliburton. Under the Army's Logistics Civil Augmentation Program contract, KBR is required to report on employees assigned to carry out individual task orders, according to Patrice Mingo, a Halliburton spokeswoman. But Guttman said the KBR contract was atypical. "Other than the LOGCAP contract, everything else is a seat-of-the-pants estimate," he said.

The Army has been trying to count its contractors since December 2000, when it announced plans in the Federal Register to collect information from them. But the project has been repeatedly tripped up by the 1995 Paperwork Reduction Act -- in 2001, the Office of Management and Budget cited the law in [halting a version](#) of the project. A provision in the law requires agencies to evaluate the burden and expected benefit of collecting information.

As a result, the Army has no firm tally of its contractor workforce. In a 2003 report to Congress, the service estimated it employed anywhere from 144,000 to 562,000 contractor employees. "Without the ability to initiate the [Business Initiative Council] approved reporting pilot, a credible basis for estimating a more specific number than the range specified is not available," the Army stated.

In his 2002 memo, White revived the project to help identify "unnecessary, costly, or unsuitable contracted work." At the time, he wrote the Army lacked "credible information on contract labor," making it impossible to tell whether the service's contract workforce should be downsized, as its active military and civilian ranks were in the 1990s. White's directive was sent to three Pentagon undersecretaries, who were asked to support the initiative.

In an apparent effort to make the project less burdensome to contractors, White said the Army would pay them for reporting information.

Some contractors and procurement experts question the purpose of the Army project, saying the size of the contractor workforce has little bearing on how government manages contracts. "It's not really relevant how many people you have working on a project, it's a matter of how much you pay and the quality of the work being done," said Angela Styles, a former federal procurement administrator who is now a partner at the Washington law firm Miller & Chevalier.

Soloway doubted the project would yield much useful information. "I don't think it's any great problem that they haven't moved forward because I'm not sure the value of the information will be that great," he said.

Other branches of the military have expressed interest in counting their contractor workforce. The Navy is studying the Army's method, as well as others, said Rear Adm. Robert Cox, the Navy's director of total force programming and manpower. "The Navy is in the process of determining what types of information -- such as hours, dollars and contract category -- will be helpful to track contract work, as well as the best method to obtain that information," he said in a statement last month.

The Navy estimates it has 230,000 contractor employees, but Cox said this projection is not based on a firm methodology. "It is this very imprecision we are working hard to overcome," he said.

Cox said a contractor count could help the Navy make better management decisions. White made a similar argument in his 2002 memo: "Contract support is not unlike all other processes -- in order to manage it effectively, we must, first, have full visibility into it."