



Contractors maintain equipment for Army pre-positioned stocks at Camp Arifjan, Kuwait, on Oct. 22, 2016. (Photo by Sgt. Angela Lorden)

Soldiers Are From Mars, Contractors Are From Jupiter

■ By James L. Kennedy

Soldiers and contractors bring different perspectives, approaches, and most importantly, different operating procedures to accomplish the mission. Logistics Soldiers follow standing operating procedures, policies, and Army regulations (ARs) taught to them by supply and motor sergeants. However, Soldiers need to adjust their mindsets and understand how procedures differ when contractors support missions.

One concept that is not understood well is that many of the differences in how the Army and contractors op-

erate originate from their different authorities. The Army follows ARs, doctrine, a commander's guidance, and other authorities. Contractors follow contract requirements that are written in accordance with the Federal Acquisition Regulation, which applies to the U.S. government, and the Defense Federal Acquisition Regulation Supplement, which applies to the Department of Defense.

Military leaders are generally unaware of the differences between these authorities, and this lack of awareness often leads to conflict.

Three main areas of misconception are inspections, supply, and maintenance.

Inspections

One overarching misunderstanding is that contractors are included in organizational inspection programs. The only government personnel authorized to inspect contractor operations are the contracting officer (KO) and his or her designated representative, usually a contracting officer representative (COR).

If a contractor is providing equip-

ment maintenance, the battalion or brigade cannot inspect the contractor's records, schedules, training certificates, documentation, or other items. Commanders must request that the COR inspect the contractor in accordance with the contract and provide the commander with a report.

Contractor operations follow the contract, which includes a performance work statement that outlines how the contractor will perform the mission. The statement may not comply with Army policies. Therefore, commanders and leaders need to know the contractual requirements because those are the obligations that the contractor must follow and fulfill.

For example, if a contractor is repairing weapons that are required to be secured, the contract must define what "secured" means. Otherwise the contractor will define it. Unlike the military unit that the contractor is supporting, the contractor is not bound by AR 190-1, Army Physical Security, unless the contract specifies so.

Supply

When a unit provides government furnished property (GFP) to contractors in support of a mission, the equipment must remain on government property books in Property Book Unit Supply Enhanced or the Global Combat Support System-Army.

However, the equipment is not signed over by the unit to the contractor on a Department of the Army (DA) Form 3161, Request for Issue or Turn-In, or a DA Form 2062, Hand Receipt. Instead, the KO transfers the equipment as part of the contract by including a Department of Defense Form 1149, Requisition and Invoice/Shipping Document, and a Scheduled GFP Attachment.

The unit provides the equipment's administrative data to the KO, who then incorporates the data into the contract. The contracting command assigns a property administrator to manage contractor-controlled GFP.

Units do not inventory any equipment provided to contractors during the contract period. The property administrator or COR (if authorized) can check to ensure property is accounted for and that it is being used in accordance with the contract but only if these checks are included in the terms of the contract.

This also means that the unit will not inventory the equipment during changes of command or 10-percent inventories. The Department of Defense Form 1149 and the Scheduled GFP Attachment will serve as the accountability documents.

Inevitably, a piece of equipment loaned to a contractor will need to be repaired or replaced. When this happens, the unit cannot just take back a truck and provide another.

The equipment must be contractually transferred and the contract must be modified by the KO to reflect the change. KOs can usually execute these simple contract modifications quickly and easily, and updating the contract will prevent subsequent accountability problems.

If GFP is lost or damaged while in the possession of a contractor, the contractor notifies the KO and the property administrator informs the unit. If the equipment is lost, the property book office of the unit that made the loan will initiate an abbreviated Department of Defense Form 200, Financial Liability Investigation for Property Loss.

If the equipment is damaged, the COR or property administrator will notify the KO, who will initiate an



Sgt. 1st Class Christopher Trejo, a quality assurance maintenance noncommissioned officer for the 401st Army Field Support Brigade, checks a contractor's work on Oct. 21, 2016, at Camp Arifjan, Kuwait. (Photo by Sgt. Angela Lorden)

investigation and determine if any financial liability exists. If financial liability is determined, the KO and the contractor determine how much, and then the contractor makes a payment to the U.S. Treasury, not to the unit that loaned the equipment. Damaged equipment may be returned to the unit, which will have to use unit funds to repair it.

If the contracted company changes, the entire GFP process is repeated. The outgoing company returns GFP

money the contractor owes the government to return the equipment to the -10/20 maintenance standard is paid to the U.S. Treasury.

When a contract stipulates that the unit will provide equipment for a contractor, the unit needs to talk with the KO about whether the unit or contractor will provide repair parts and repair the equipment while the GFP is in the contractor's possession. If the contractor provides maintenance and repair parts, the cost of

checklist. For more information, visit the Command Supply Discipline Program and Property Accountability Knowledge Center online at <https://www.us.army.mil/suite/page/670916>.

Soldiers cannot assume that the Army and its contractors operate in the same way. The best adage to use would be, "If you are dealing with contractors using Army regulations or methods, then you are probably doing it wrong; call the KO."

To mitigate confusion, keep in contact with your KO or property administrator, assign a responsible COR to manage the contract, provide CORs with the necessary training and time to accomplish their duties, and accept that there are manageable differences between the Army's and contractors' processes. Together we can improve the relationship between the two systems, reduce misunderstanding, and improve mission accomplishment and readiness. The key to success is a collaborative effort between the KO and the unit in which the KO is the expert in writing contracts and the unit is the expert in the requirements to be completed.

James L. Kennedy is a retired Army logistics colonel. He is an assistant professor teaching force management and sustainment at the Fort Belvoir, Virginia, campus of the Army Command and General Staff College. He holds a bachelor's degree in chemistry from Presbyterian College, a master's degree in logistics management from the Florida Institute of Technology, and a master's degree in military history from the Army Command and General Staff College. He is currently pursuing a master's degree in education from George Mason University. He has served as a COR, in the operational contract support proponent of the Army G-4, and as a battalion commander with extensive contract support.

Subject matter experts from the Army G-4 and Army Contracting Command contributed to this article.

Understanding the differences between Army logistics and contracted logistics can reduce confusion and improve contractor-provided services.

to the unit or sometimes to the KO, who includes the GFP in the new contract. The GFP is then reissued to the incoming company in the new contract, similar to how incoming commanders sign for organizational equipment during changes of command. The difference is that an external entity, the KO, must be involved when there is a contractor.

Maintenance

When transferring equipment to a contractor, the providing unit must ensure the contract stipulates the condition that the equipment must be in upon return to the government. For example, does the contract require the equipment to be returned as is, in the same condition as at initial issue, or within the -10/20 maintenance standard? Or does the contract require an inspection and funding to return the equipment to a specified condition? This topic needs to be discussed with the KO early in the contracting process.

Only the property administrator and the COR are authorized to check on GFP readiness and only to ensure equipment is maintained in accordance with the contract. Any

the contract will increase. If the unit provides parts and maintenance, the work will have to be performed with the contractor as a customer of the maintenance unit.

An issue that is not specifically addressed in AR 220-1, Unit Status Reporting, is how or if contractors should provide readiness data on GFP to the loaning Army unit. If the unit wants the data reported, the best practice is to determine the requirements at local levels and to write into the contract what data is needed and at what frequency.

The Way Ahead

The Army G-4 office is currently working on several efforts to inform the force of the operational differences of working with contractors. To reduce confusion, the G-4 office is updating AR 735-5, Policies and Procedures for Property Accountability, and DA Pamphlet 710-2, Supply Policy Below the National Level.

The office is also coordinating with the Quartermaster School to include GFP training in supply personnel courses and to produce a GFP command supply discipline