

December 2011

ARLINGTON
NATIONAL
CEMETERY

Additional Actions
Needed to Continue
Improvements in
Contract Management

U.S. Government Accountability Office

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ACCOUNTABILITY ★ INTEGRITY ★ RELIABILITY



Highlights of [GAO-12-99](#), a report to congressional committees

Why GAO Did This Study

Arlington National Cemetery (Arlington) contains the remains of more than 330,000 military servicemen and women, family members, and others. In June 2010, the Army Inspector General issued a report identifying numerous deficiencies at Arlington, including those related to contracting. In response, the Secretary of the Army issued guidance creating the position of the Executive Director of the Army National Cemeteries Program (ANCP) to manage Arlington and requiring changes to address the deficiencies and improve cemetery operations.

Public Law 111-339 directed GAO to (1) identify the number, duration of, and dollar amount spent on current contracts used to support operations at Arlington and (2) assess the extent to which the Army has put processes and procedures in place to provide for the effective management and oversight of contracts supporting Arlington. GAO analyzed data from contracting offices and other sources on contracts active during fiscal year 2010 and 2011 and above \$100,000 and reviewed contract files; analyzed guidance, policies, plans and other documentation from Arlington and other organizations; and interviewed agency officials.

What GAO Recommends

GAO recommends that the Army implement a method to track complete contract data, ensure support agreements clearly identify roles and responsibilities for contracting, and determine the number and skills necessary for contracting staff. DOD partially concurred with the recommendations, but said the report did not adequately reflect Army-wide efforts underway.

View [GAO-12-99](#). For more information, contact Belva M. Martin at (202) 512-4841 or martinb@gao.gov.

December 2011

ARLINGTON NATIONAL CEMETERY

Additional Actions Needed to Continue Improvements in Contract Management

What GAO Found

Roughly \$35 million was obligated under 56 Arlington contracts and task orders valued over \$100,000 and active during fiscal years 2010 and 2011. These contracts supported cemetery operations, construction and facility maintenance, and new efforts to enhance information technology systems for the automation of burial operations. ANCP does not award its own contracts, but instead obtains contracting support in two different ways. Thirty-five contracts in GAO's review were awarded by three contracting organizations that directly supported ANCP. For the remaining 21 contracts and task orders, ANCP partnered with other Army organizations with expertise in areas such as information technology and construction. Those organizations, in turn, used contracting offices to support Arlington needs. Many of the contracts GAO reviewed have now ended, while those still ongoing may continue through fiscal years 2012-2014, depending on ANCP needs. While ANCP has taken steps to improve visibility of contracts and financial management capabilities more broadly, it does not currently maintain complete data to identify and track contracts supporting its operations. Without such data, ANCP may continue to face difficulties in ensuring the effective management and oversight of its contracts and related funding.

ANCP has taken numerous actions to correct identified contracting deficiencies and improve contract management at multiple levels, including coordination with other Army organizations for specialized assistance and manpower. ANCP signed new agreements with the Army Contracting Command and the Army Corps of Engineers that identify broad responsibilities between these organizations for providing contract support. However, similar agreements in place with other organizations, such as the Army Information Technology Agency and the Army Analytics Group, do not specifically address contract management roles and responsibilities in support of Arlington's information technology efforts. Although these responsibilities are generally understood by officials at present, they may be less clearly understood in the future when personnel have changed. ANCP has also taken steps to improve internal guidance for contract management and staff training, although these efforts are ongoing. Likewise, ANCP has increased dedicated acquisition staff support for its contracting efforts, but has not yet fully determined the appropriate number, skill levels, and arrangements necessary to meet its contracting needs. Newer contracts supporting Arlington show improvement in the use of sound acquisition practices, with steps taken to consolidate requirements and better document acquisition planning, award, and oversight activities. The success of ANCP's acquisition outcomes will depend on continued management focus from ANCP and its contracting partners to leverage their expertise while mitigating associated risks. While the Army has made significant progress, further actions are necessary to ensure sustained attention to contract management, and institutionalize progress made to date, particularly as the current spotlight fades.

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Abbreviations

ANCP	Army National Cemeteries Program
BOSS	Burial Operations Support System
DOD	Department of Defense
FPDS-NG	Federal Procurement Data System-Next Generation
GFEBs	General Fund Enterprise Business System
GIS	Geographic Information System
IG	Inspector General
ITA	Information Technology Agency
MICC	Mission and Installation Contracting Command
NCR	National Capital Region
USACE	U.S. Army Corps of Engineers

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G A O

Accountability * Integrity * Reliability

United States Government Accountability Office
Washington, DC 20548

December 15, 2011

Congressional Committees

The Army's management of Arlington National Cemetery (Arlington) has come under scrutiny following the discovery of burial errors and the identification of serious management deficiencies affecting cemetery operations. Established during the Civil War, the cemetery contains the remains of more than 330,000 military servicemen and women, family members, and other individuals, including two U.S. Presidents. It conducts an average of 27 funerals each day, hosts numerous ceremonies throughout the year, and has approximately 4 million visitors annually. In response to reports in 2009 alleging mismanagement at Arlington, the Secretary of the Army directed the Army Inspector General (IG) to review Arlington's management and operations. In June 2010, the Army IG reported on numerous deficiencies and made more than 100 recommendations for corrective action, which covered a span of issues including cemetery policies and procedures, management and training, command structures, information assurance compliance, and contracting.¹ At the same time, the Secretary of the Army assigned new leadership for Arlington and issued Army Directive 2010-04, *Enhancing the Operations and Oversight of the Army National Cemeteries Program*, requiring a number of changes to address the identified deficiencies and improve cemetery operations. Included in these changes was the creation of the new position of Executive Director of the Army National Cemeteries Program (ANCP), who reports directly to the Secretary of the Army and is responsible for overseeing operations at Arlington and the Soldiers' and Airmen's Home National Cemetery.

Concerns with contract management are not unique to Arlington. We have previously reported on numerous issues in this area throughout the Department of Defense (DOD). Defense contract management continues to be on our high-risk list, where we have noted that the lack of well-defined requirements, the use of ill-suited business arrangements, and the lack of an adequate number of trained acquisition and contract

¹U.S. Army Inspector General Agency, *Special Inspection of Arlington National Cemetery Final Report* (Washington D.C.: June 2010).

oversight personnel contribute to unmet expectations and place the department at risk for paying more than is necessary.²

In December 2010, Congress passed Public Law 111-339 requiring several reports on the management of Arlington including by the Secretary of the Army on the execution of and compliance with Army Directive 2010-04 and other related matters beginning in 2011. The act also directed GAO to assess the management and oversight of contracts at Arlington, as well as a number of other issues related to management at the cemetery more generally. This report addresses issues specifically associated with contracting; we are reporting separately on the Army's efforts to address identified management deficiencies; the information and assistance provided to families regarding efforts to detect and correct burial errors; and factors that may affect the feasibility or advisability of transferring jurisdiction of Arlington to the Department of Veterans Affairs.³ To satisfy the mandate as it relates to contracting, we (1) identified the number, duration of, and dollar amount spent on current contracts and task orders used to support operations at Arlington, including those used to support information technology systems for the automation of burial operations; and (2) assessed the extent to which the Army has put processes and procedures in place to provide for the effective management and oversight of contracts supporting Arlington.

We defined current contracts as those contracts or task orders that were newly awarded or modified during fiscal year 2010 and the first three quarters of fiscal year 2011 with planned or total obligations above \$100,000. To identify such contracts, we gathered and analyzed data from the contracting offices and other Army organizations currently providing assistance to Arlington. To assess the reliability of the data provided by the contracting offices, we compared their data to that (1) included in Federal Procurement Data System-Next Generation (FPDS-NG), (2) provided by officials at ANCP, and (3) gathered by the Deputy Assistant Secretary of the Army (Procurement) as well as the Army Audit Agency. While we found some information from the contracting offices to be incomplete, we used these other data sources to

²GAO, *High-Risk Series: An Update*, [GAO-11-278](#) (Washington D.C.: Feb. 16, 2011).

³GAO, *Arlington National Cemetery: Management Improvements Made, but a Strategy is Needed to Address Remaining Challenges*, [GAO-12-105](#) (Washington D.C.: Dec. 15, 2011).

identify additional Arlington contracts that met our criteria. To report on the duration of contracts we identified, we used contract documents and information from agency officials to determine the period of performance associated with the contract or task order. To report dollars obligated during fiscal year 2010 and the first three quarters of fiscal year 2011 under the contracts we identified, we relied on data from the FPDS-NG and compared these to data provided by the contracting offices. Because we were able to use the additional data sources indicated above to identify contracts supporting Arlington and associated obligations, we consider the data to be sufficiently reliable for our purposes.

To assess the processes and procedures in place to provide for the effective management and oversight of contracts and to address prior recommendations from the Army IG, we obtained and analyzed guidance, policies, and other documentation from officials at ANCP, contracting offices, and other Army organizations. To assess the implementation of Army Directive 2010-04 specific to contracting, we reviewed the procurement management reports compiled by and interviewed officials from the Deputy Assistant Secretary of the Army (Procurement). We reviewed file documentation for all of the contracts identified as part of our first objective to assess the effectiveness of management and oversight of individual contracts and task orders. We interviewed officials from ANCP and Arlington, other Army organizations, and the Department of Veterans Affairs National Cemetery Administration. A more detailed description of our scope and methodology is included in appendix I.

We conducted this performance audit from March 2011 through December 2011 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Background

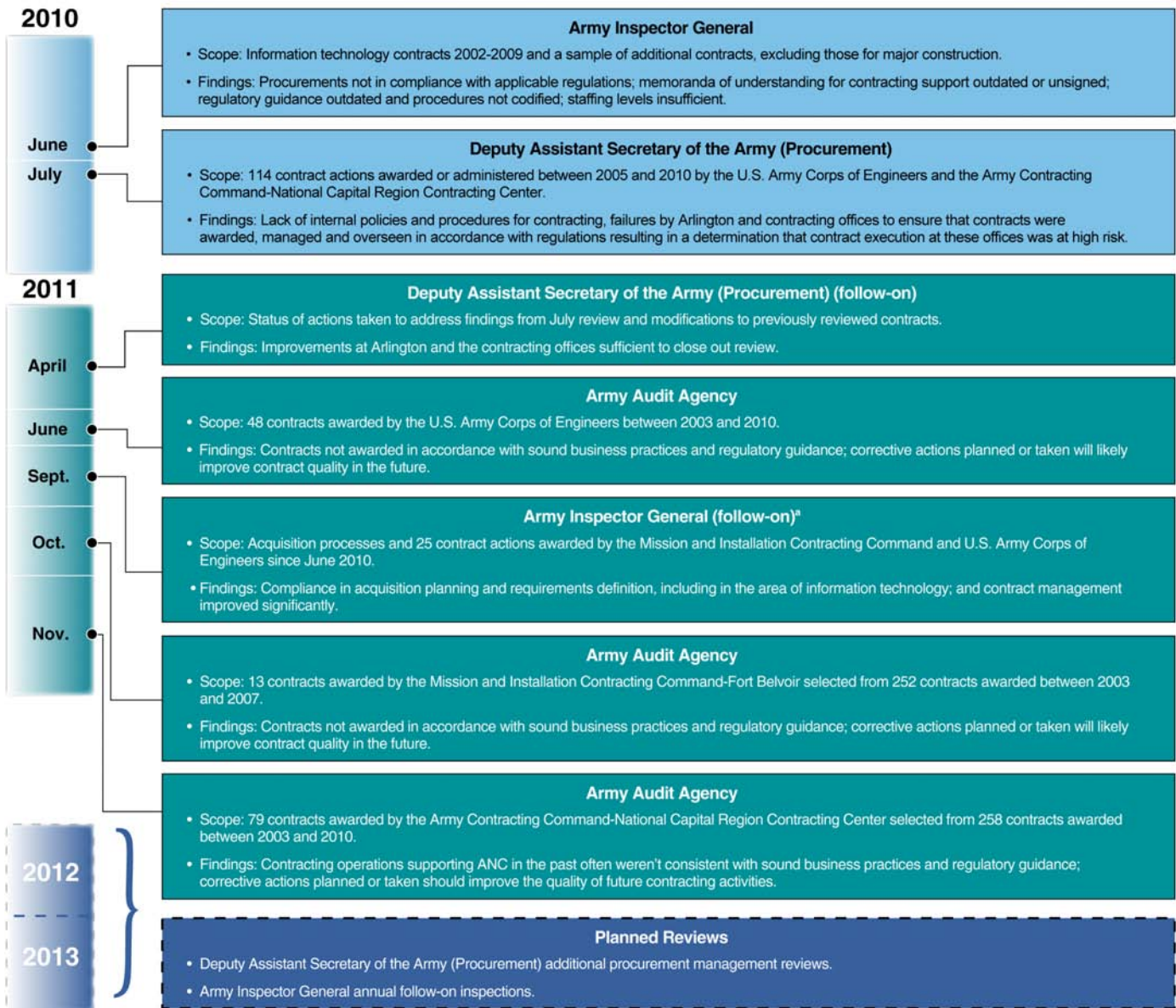
Arlington does not have its own contracting authority, and as such, relies on other contracting offices within the Army to award and manage contracts on its behalf. The acquisition life cycle has multiple phases and, in general, responsibilities for ensuring successful outcomes are shared between both program offices, like Arlington, and the contracting offices that provide support. The phases and responsibilities include:

-
- Acquisition initiation—the program office identifies its needs, and works jointly with the contracting office to define requirements and plan for the acquisition.
 - Contract award—the contracting office, with assistance from the program office, puts the business arrangement in place through the award of the appropriate type of contract to meet the need.
 - Manage and assess contractor performance—the program and contracting offices work together to ensure receipt of goods and management of contractors providing services consistent with the terms of the contract, with the program office generally responsible for providing oversight.

At the time the Army IG issued its June 2010 report, Arlington relied primarily on support from both the Army Contracting Command's Contracting Center of Excellence⁴ and the U.S. Army Corps of Engineers (USACE). The Army IG found that procurements were not in compliance with applicable federal, defense, and Army acquisition regulations, and indicated that some procurements were not aligned with each organization's core competency. For example, the Army IG reported that Arlington officials with little to no experience or training in acquisition spent over \$5.5 million in mostly failed efforts to develop and acquire information technology systems, including the Total Cemetery Management System, intended to modernize Arlington's business operations. At the same time, those contracting offices supporting Arlington also did not adhere to existing acquisition regulations, contributing to poor acquisition outcomes, according to the Army IG report. As part of the initial steps to address contracting deficiencies and implement Army Directive 2010-04, the Secretary of the Army required that other Army organizations conduct additional reviews of Arlington contracts. Figure 1 below summarizes the scope and findings related to contracting of the reviews conducted to date.

⁴The Contracting Center of Excellence has been incorporated into the Army Contracting Command-National Capital Region Contracting Center.

Figure 1: Summary of Arlington Reviews and Identified Contracting Issues



Source: Department of the Army.

^aThe Army Inspector General also completed an interim review of Arlington's progress in January 2011.

These reviews have all resulted in a number of recommendations to ANCP and the contracting offices providing support. For example, the

Army IG recommended that contracting offices ensure that appropriate oversight mechanisms were in place; that contracting officers receive sufficient training, and that the Army conduct additional reviews of Arlington contracts. The Deputy Assistant Secretary of the Army (Procurement) recommended that Arlington and the contracting offices establish or update standard operating procedures and support agreements for contracting, ensure that contract files fully document the decisions made throughout the contract award process, and provide training for staff on contract award and oversight procedures. The Army Audit Agency recommended that USACE strengthen requirements for independent government cost estimates, and establish performance standards for contracting support personnel that address contract quality and compliance with regulations and sound business principles. In response to the requirements contained in Public Law 111-339, the Secretary of the Army provided a report to Congress on implementation of Army Directive 2010-04 on September 18, 2011. That report was based substantially on the September 2011 Army IG report.⁵ Both of those reports identified significant progress made at Arlington overall and with regard to previous deficiencies related to contract management, with additional recommendations focused on the continuation of efforts currently underway.

Arlington Relies on Contracting Support but Does Not Maintain Complete Data to Track Existing Contracts

Contracting offices obligated roughly \$35.2 million under 56 contracts and task orders for Arlington that were active in fiscal years 2010-2011 and that supported cemetery operations, construction and facility maintenance, and new efforts to enhance information technology systems for the automation of burial operations. ANCP obtains contracting support in different ways. Thirty-five of those contracts were awarded by three contracting organizations that worked directly with ANCP. For the remaining 21 contracts and task orders, ANCP partnered with other Army organizations with expertise in areas such as information technology and construction. Those organizations, in turn, used contracting offices to support Arlington needs. More than half of the contracts and task orders we reviewed are now over, while those that remain may continue through fiscal years 2012-2014, depending on cemetery needs. ANCP has also developed new support relationships to address previous contracting

⁵U.S. Army Inspector General Agency, *Inspection of the Army National Cemeteries Program and Arlington National Cemetery* (Washington, D.C.: September 2011).

concerns. While ANCP has taken steps to improve visibility of contracts and financial management capabilities more broadly, it does not currently maintain complete data to identify and track contracts supporting its operations. Without such data, ANCP may continue to face difficulties in ensuring the effective management and oversight of its contracts and related funding.

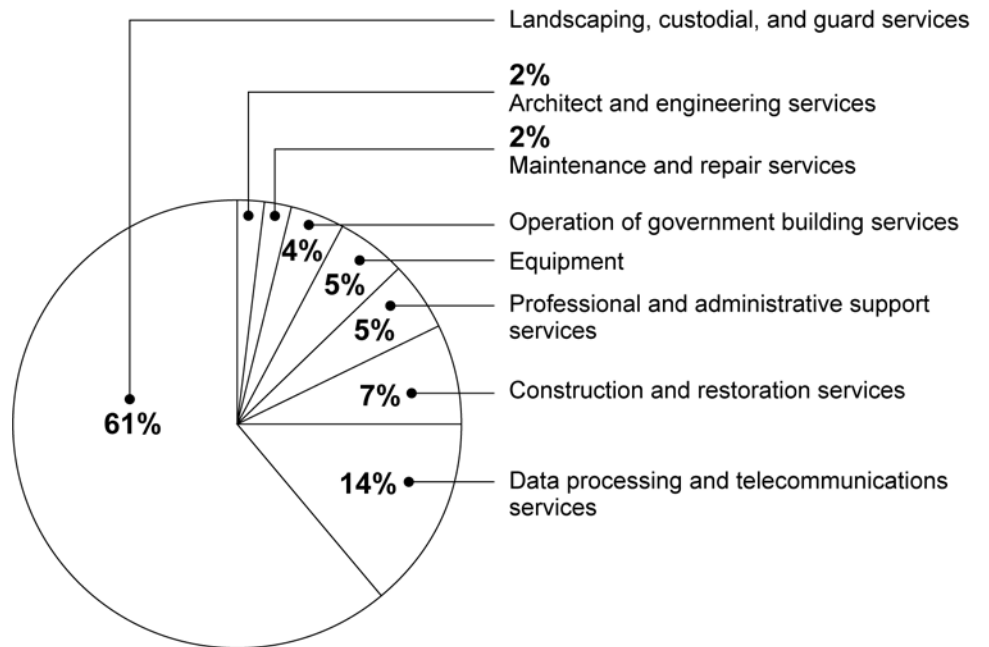
ANCP Relies on Multiple Contracting Offices to Support Its Operations

Using data from multiple sources, we identified 56 contracts and task orders for Arlington valued over \$100,000 under which roughly \$35.2 million was obligated⁶ during fiscal year 2010 and the first three quarters of fiscal year 2011 to support cemetery operations.⁷ Figure 2 indicates the types of goods and services which Arlington received during this timeframe under contracts we reviewed.

⁶By comparison, Arlington received a total of \$85 million in appropriated funds for fiscal years 2010 and 2011 combined. Arlington receives its funding under the Cemeterial Expenses, Army appropriation. The funds are classified as a no-year appropriation, meaning that they are available for obligation for an indefinite period of time. The \$35 million obligated under the contracts and task orders we identified may include funding appropriated in fiscal years prior to 2010 and 2011.

⁷We included one purchase order valued just under \$100,000 that was awarded by USACE in support of the Interment Management System.

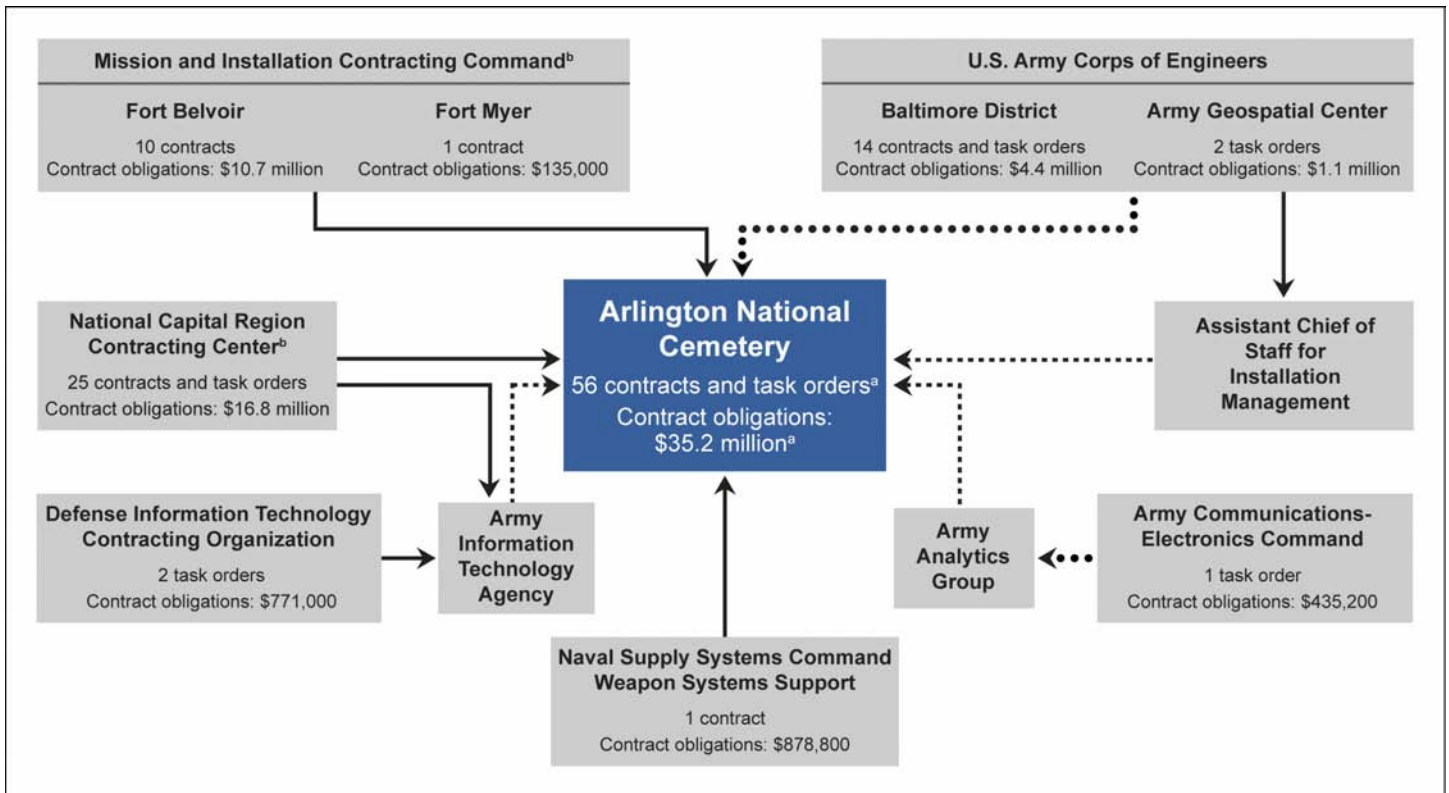
Figure 2: Arlington Contract Obligations by Category



Source: GAO analysis of FPDS-NG data.

In general, ANCP obtains contracting support in two different ways. In some cases, ANCP acts as the primary program office, working directly with contracting offices to define requirements, ensure the appropriate contract vehicle, and provide contract oversight. In other instances, Arlington partners with another program office to leverage expertise and get help with defining requirements and providing contract oversight. Those program offices, in turn, use other contracting arrangements to obtain services and perform work for Arlington. Figure 3 below identifies these contracting relationships, and shows the number of contracts and dollars obligated by contracting office for the contracts and task orders we reviewed.

Figure 3: Distribution of Arlington Contracts by Office



- Contract support
- Program support
- Contract and program support

Source: GAO analysis of FPDS-NG data and contract documents.

^aFigure represents contracts or task orders active during fiscal year 2010 and the first three quarters of fiscal year 2011 and above \$100,000.

^bThe Mission and Installation Contracting Command as well as the National Capital Region contracting office are part of the Army Contracting Command.

For more than half of the contracts and task orders we identified, ANCP served as the primary program office and worked directly with three contracting offices to meet cemetery needs. These 35 contracts were awarded by offices within the Mission and Installation Contracting Command (MICC), the Army Contracting Command-National Capital Region (NCR) contracting office, and the Naval Supply Systems

Command Weapon Systems Support Office.⁸ To address contract management issues identified in the June 2010 Army IG report, during the latter part of fiscal year 2010 and beginning of fiscal year 2011, ANCP transitioned the contracting support mission from NCR to the MICC. ANCP coordinated with the MICC-Fort Belvoir contracting office to review and consolidate existing requirements and reduce the number of contracts supporting cemetery operations. As such, 23 of the contracts awarded by the NCR contracting office have now ended. Of the 10 contracts awarded by the MICC-Fort Belvoir contracting office, 2 have ended and 8 may continue through fiscal year 2014 depending on cemetery needs. The MICC-Fort Myer contracting office modified an existing contract to support heating, ventilation, and air conditioning services at Arlington through fiscal year 2012. Finally, the Naval Supply Systems Command Weapon Systems Support office awarded a contract to support the scanning and digitization of Arlington burial records ending at the beginning of fiscal year 2012.

For the remaining 21 contracts and task orders, ANCP did not work directly with a contracting office, but partnered with other Army program offices. These program offices, rather than ANCP, then worked with various contracting offices that awarded contracts and task orders to support Arlington needs. For example, USACE was responsible for 14 contracts and task orders which mainly covered construction and engineering support services to maintain the existing grounds and buildings at Arlington and begin efforts to expand the cemetery. Of these 14 contracts and task orders, 10 have ended; 2 provide for performance into fiscal year 2012; and the period of performance for the remaining 2 was not clearly indicated in contract file documentation. The remaining 7 contracts and task orders, described below, awarded under this approach were used to develop and enhance existing information technology capabilities.

Officials at ANCP indicated that, in response to significant deficiencies related to information assurance and the acquisition of information technology, they decided to leverage existing Army expertise in information technology management, rather than attempting to develop such capabilities independently as was the case under the previous

⁸Two task orders were issued by the National Capital Region contracting office on behalf of the Information Technology Agency, and are not included in the 35 contracts and task orders discussed here.

Arlington management. ANCP is coordinating with organizations including the Army Information Technology Agency (ITA), the Army Analytics Group, and the Assistant Chief of Staff for Installation Management, on efforts to update their capabilities and comply with Army information assurance and automation standards. For example, ITA now provides broad program assistance to help manage Arlington's information technology infrastructure. In support of Arlington requirements, ITA utilized four task orders under existing contracts awarded by the Defense Information Technology Contracting Office and NCR that provide information technology support services into fiscal year 2012. For example, the Defense Information Technology Contracting Office obligated funds under an existing task order supporting the ITA Consolidated Customer Service Center, which provides support to Arlington to answer, track, and document phone calls to the cemetery.

As required by Public Law 111-339, we identified current contracts associated with five specific information technology systems used by Arlington for the automation of burial operations. We found that two of these systems had active task orders in place; one system is in use but is not covered under a contract awarded on behalf of Arlington; and the final two systems are no longer in use. The following provides more detail on each system:

- *Interment Scheduling System*: ANCP uses this application to record, schedule, and coordinate interment and inurnment services in electronic form. The Army Communications-Electronics Command modified an existing task order to provide support into fiscal year 2012 for the Army Analytics Group's effort to provide information assurance for the Interment Scheduling System, and to consolidate Arlington burial operations data with other sources into a database called the Research Tool. ANCP is using the Research Tool to aid in its gravesite accounting responsibilities, and it integrates data from: (1) the Interment Scheduling System, (2) grave cards, (3) record of interment cards, (4) headstone images, and (5) the Department of Veterans Affairs Burial Operations Support System, which Arlington uses to order headstones and grave markers.
- *Geographic Information System (GIS)*: The USACE Army Geospatial Center issued two task orders with a period of performance from fiscal years 2011-2012 to support operations by the Assistant Chief of Staff for Installation Management to help ANCP establish digital mapping capabilities for grave plots, grave markers, and the cemetery grounds. Officials anticipate that through these efforts, they will be able to fully

assimilate GIS applications for assigning and managing gravesite information, including the ability for Arlington to use updated digital maps of the grounds and for visitors to search for grave locations online and at the Visitors Center and to view headstone photographs.

- *Burial Operations Support System (BOSS)*: ANCP does not use contracts for BOSS. While Arlington staff use BOSS to order headstones and grave markers, officials from the Department of Veterans Affairs stated that the National Cemetery Administration funds all contract support related to BOSS and the purchase of headstones for all eligible veterans, including those buried at Arlington. They noted that ANCP does not reimburse the Department of Veterans Affairs for any costs associated with veterans' headstones.
- *Interment Management System and the Total Cemetery Management System*: ANCP is no longer using these two systems, which were legacy systems intended to modernize business operations in effect prior to June 2010 under the previous Arlington administration. During fiscal year 2010, USACE awarded one contract to support maintenance of the Interment Management System, which was intended to carry out scheduling and data storage functions. The NCR contracting office also awarded one contract for information technology support services, to include management of the Total Cemetery Management System, which was intended to incorporate GIS capabilities and link systems for scheduling interments and ordering headstones. However, the period of performance for both contracts has ended. According to ANCP officials and evidence from the contract files, these two systems were never implemented and further development of these systems will not be pursued.

ANCP Does Not Currently Maintain Complete Data to Track Contracts Supporting Operations

We have previously reported that the effective acquisition of services requires reliable data to enable informed management decisions.⁹ With such data, organizations can be more strategic in planning and managing service acquisitions and ensure they have visibility into how and where acquisition dollars are spent. ANCP has taken steps to improve visibility of contracts; however, it does not currently maintain complete data on contracts supporting its operations. In a review of contracts supporting

⁹GAO, *Defense Acquisitions: Tailored Approach Needed to Improve Service Acquisition Outcomes*, [GAO-07-20](#) (Washington, D.C.: Nov. 9, 2006).

Arlington going back to 2003, the Army Audit Agency had difficulties identifying a comprehensive list of contracts supporting Arlington, noting that the multiple sources of data they used each produced unique contract actions not identified in other sources, which offered little assurance of a complete universe of contracts.¹⁰ While we found information on Arlington contracts from various sources, including internal ANCP data, existing contract and financial systems, and the organizations that provide contracting support, limitations associated with each of these sources make identifying and tracking Arlington's contracts as a whole difficult.

Internal ANCP Data

A contract specialist detailed to ANCP in September 2010 developed and maintained a spreadsheet to identify and track data for specific contracts covering daily cemetery operations and maintenance services. Likewise, ANCP resource management staff maintain a separate spreadsheet that tracks purchase requests and some associated contracts, as well as the amount of funding provided to other organizations through the use of military interdepartmental purchase requests. Neither of these spreadsheets identifies the specific contracts and obligations associated with Arlington's current information technology and construction requirements. While ANCP staff track data and information associated with specific construction projects underway through coordination with USACE, they do not track data that identify individual contracts used to support these projects; the ANCP staff noted that they rely on USACE to do so.

Existing Contract and Financial Systems

Existing data systems also do not readily identify all contracts for Arlington. FPDS-NG is the primary system used to track governmentwide contract data, including DOD and the Army. The Arlington funding office identification number, a unique code that is intended to identify transactions specific to Arlington, is not consistently used in this system and, in fact, was used for only 34 of the 56 contracts in our review. According to officials from the USACE Baltimore District, they do not use the Arlington funding office identification number when entering contract data because ANCP provides funds to USACE through the use of military interdepartmental purchase requests and the funding identification that is used at that point is one associated with USACE. ANCP officials noted

¹⁰Army Audit Agency, *Contracting Operations in Support of Arlington National Cemetery: U.S. Army Corps of Engineers, North Atlantic Division, Baltimore District, A-2011-0144-ALC* (Alexandria, Va.: 2011).

Contracting Support
Organizations

that they do not have control over this data entry process and that it may need to be addressed through broader policy guidelines.¹¹ In addition, in our review of the task orders supporting ITA efforts, we were unable to identify the specific scope of work undertaken directly for Arlington and the funds obligated for these task orders based either on data from FPDS-NG, or based on contract documents, given that the task orders also include work performed for other organizations. At the time of our review, officials at ANCP and at the MICC-Fort Belvoir stated that they were exploring the use of additional data resources to assist in tracking Arlington contracts, including the Virtual Contracting Enterprise, an electronic tool intended to help enable visibility and analysis of elements of the contracting process.

In October 2010 and consistent with a broader Army initiative, ANCP implemented the General Fund Enterprise Business System (GFEBS)¹² to enhance financial management and oversight, and to improve their capability to track expenditures. However, while GFEBS more readily identifies funds obligated and disbursed for some contracts, ANCP officials noted that there are cases, especially when ANCP transfers money to agencies that do not currently use GFEBS, where this information is not available through this system. For example, we found that GFEBS data did not identify the specific information technology contracts supported by the Army Communications-Electronics Command, Army Geospatial Center, Naval Supply Systems Command Weapon Systems Support office, and others.

We also found that Army contracting offices had difficulty in readily providing complete and accurate data to us on Arlington contracts. For example, the NCR contracting office could not provide a complete list of active contracts supporting Arlington during fiscal years 2010 and 2011 and in some cases did not provide accurate dollar amounts associated with the contracts they did identify. In one case, data from NCR indicated that about \$8.5 million had been obligated against a contract for landscaping services, whereas contract documents and FPDS-NG data

¹¹We have previously noted that DOD lacks basic data about its service contracts that could help it determine how it contracts for services and how reliant it is on contractors. See GAO, *Defense Acquisitions: Actions Needed to Ensure Value for Service Contracts*, [GAO-09-643T](#) (Washington D.C.: Apr. 23, 2009).

¹²GFEBS is intended to improve financial, asset, and real property management and standardize processes across the Army.

showed that the total obligations for this same contract were only \$2.1 million. USACE also had difficulty providing a complete list of active Arlington contracts for this time frame. For example, we found additional contracts that USACE did not initially identify, as well as other contracts and task orders provided to us that were not actually active during our covered time frame. USACE did, however, provide accurate dollar amounts associated with the contracts they were able to identify. The MICC-Fort Belvoir contracting office was able to provide a complete list of the recently awarded contracts supporting Arlington with accurate dollar amounts for this time frame, and those data were supported by similar information from Arlington. The MICC-Fort Belvoir contracts were awarded after the June 2010 Inspector General report and in close coordination with the contract specialist detailed to ANCP.

Without complete data on existing contracts, ANCP leadership may be without sufficient information to identify, track, and ensure the effective management and oversight of its contracts. In a March 2011 report, the Army Audit Agency found that due to poor financial oversight under the previous Arlington administration, Arlington incurred about \$27.8 million in obligations during fiscal years 2004 through 2010, but for which funds had not been disbursed as of September 2010.¹³ The Army Audit Agency also identified about \$10 million of these obligations that could potentially be recovered and used for other purposes.¹⁴ The Army Audit Agency further reported that comprehensive financial oversight at Arlington would improve its ability to account for the status of available funding. The Army IG stated in its September 2011 report that ANCP had successfully recovered \$15 million of the obligations that will no longer require payment and the ANCP budget officer noted that the management team is currently focusing on recovering remaining funds associated with previous contracts. The Executive Director of ANCP recently stated that recovering past obligations could potentially help fund needed increases in a number of areas, including manpower, equipment, and training at the cemetery. Because Arlington's appropriation has a no-year classification,

¹³Army Audit Agency, *Arlington National Cemetery Budget Execution*, A-2011-0078-FFM (Alexandria, Va.: 2011).

¹⁴An obligation is a definite commitment that creates a legal liability of the government for the payment of goods and services ordered or received; a disbursement is a payment during the fiscal year to liquidate government obligations.

its funds are available indefinitely.¹⁵ This fact, combined with data limitations that we and others have noted, could make it difficult for ANCP to identify and recover previously obligated contract funds that could potentially be used for other purposes.

Management of Arlington Contracts Improved, but Contracting Support Responsibilities and Staffing Arrangements Not Yet Fully Defined

The Army has taken a number of steps at different levels to provide for more effective management and oversight of Arlington contracts in responding to deficiencies identified by the Army IG, including to better align ANCP support relationships with the expertise of its partners.¹⁶ At the organizational level, ANCP signed new agreements with the Army Contracting Command and USACE that identify broad responsibilities for how contract support will be provided. ANCP has also worked with other Army organizations to define roles and responsibilities with respect to information technology support; however, the agreements governing these relationships are not specific as to the management of contracts. ANCP has also focused on the training of contracting personnel and is taking steps to formalize policies and procedures for contract management. At the same time, ANCP has also increased the use of dedicated contracting staff to manage and improve its acquisition processes, but has not yet fully determined the appropriate number, skill levels, and arrangements needed to meet its needs moving forward. While more recent contracts supporting Arlington are generally improved as compared with contracts awarded prior to June 2010, recent reviews continue to identify risks at some contracting locations. Going forward, sustained attention on the part of ANCP and its partners will be important to ensure contracts of all types and risk levels are managed effectively.

¹⁵We have also noted that no-year appropriations should not be made in the absence of compelling programmatic or budgetary reasons. See GAO, *No-Year Appropriations in the Department of Agriculture*, PAD-78-74 (Washington, D.C.: Sept. 19, 1978).

¹⁶In a separate report, we found that the Army has taken positive steps to address management deficiencies and has implemented improvements across a broad range of areas beyond contract management, but identified additional opportunities to build upon and institutionalize improvements in areas such as information technology and workforce planning, assessing and improving cemetery performance, and coordinating with other operational partners. See [GAO-12-105](#).

ANCP Has New Agreements in Place, but Has Not Yet Fully Defined Specific Contracting Roles and Responsibilities

In response to recommendations in multiple Army reviews, ANCP established new agreements with the Army Contracting Command and USACE in August and December, respectively, of 2010. These actions are consistent with the Office of Management and Budget's *Guidelines for Assessing the Acquisition Function*,¹⁷ which addresses how to conduct acquisition assessments under OMB Circular A-123, and states that clearly defining and integrating roles and responsibilities are key to aligning acquisitions with agency missions and needs. We have reported that a key factor in improving DOD's service acquisition outcomes—that is, obtaining the right service, at the right price, in the right manner—is having defined responsibilities and associated support structures.¹⁸

ANCP's agreement with the Army Contracting Command states that it will assign appropriate contracting offices to provide support, in coordination with ANCP, and will conduct joint periodic reviews of new and ongoing contract requirements. In April 2011, ANCP also signed a separate agreement with the MICC, which is part of the Army Contracting Command, that outlines additional responsibilities for providing contracting support to ANCP. While this agreement states that the MICC, through the Fort Belvoir contracting office, will provide the full range of contracting support, it does not specify the types of requirements at Arlington that the MICC-Fort Belvoir will support, nor does it specify that other offices within the command may also do so. The MICC-Fort Myer contracting office is also managing a small number of modifications to existing contracts on ANCP's behalf. Officials at ANCP stated that contracting support from the MICC-Fort Myer office is coordinated through the MICC-Fort Belvoir, although the agreement also does not currently specify that the MICC-Fort Belvoir is responsible for this type of coordination. As part of its efforts to provide contracting support to ANCP, the MICC-Fort Belvoir office has established regular meetings with ANCP staff to plan and track the status of acquisitions.

The agreement signed with USACE states that it will, in coordination with ANCP, assign appropriate offices to provide contracting support and that USACE will provide periodic joint reviews of ongoing and upcoming requirements. According to USACE officials, in October 2011 ANCP and

¹⁷Executive Office of the President, Office of Management and Budget, Office of Federal Procurement Policy, *Guidelines for Assessing the Acquisition Function* (May 2008).

¹⁸[GAO-07-20](#).

USACE were in the process of finalizing an overarching program management plan which, if implemented, provides additional detail about the structure of and roles and responsibilities for support. This plan identifies that the North Atlantic Division of USACE is responsible for the overall management of support to ANCP, with the Norfolk District having primary responsibility for project delivery and execution. At the time of our review, six different organizations within USACE were providing support for ANCP requirements based on the type of expertise needed, and officials from USACE indicated they would continue to determine the appropriate organization to support Arlington on a case-by-case basis. USACE and ANCP have also established a Senior Executive Review Group which updates the senior leadership at both organizations on the status of ongoing efforts. Thus far, two meetings of this group have taken place, and an official we spoke with at ANCP indicated that they have already seen improvement in the level of coordination.

ANCP has also put agreements in place with other organizations, including ITA and the Army Analytics Group, which provide program support and expertise to manage information technology infrastructure and enhance operational capabilities. For example, the agreement in place with ITA identifies the services that will be provided to Arlington, performance metrics against which ITA will be measured, as well as Arlington's responsibilities. These organizations are also responsible for managing the use of contracts in support of their efforts. While ITA officials noted that they rely heavily on contractor support to provide information technology capabilities to their customers, their agreement with ANCP does not specifically address roles and responsibilities associated with the use and management of these contracts supporting Arlington requirements. Officials from both ITA and the Army Analytics Group, along with the Army Communications-Electronics Command, indicated that they were generally responsible for determining when to use their existing contracts to support efforts related to Arlington, ensuring that specific requirements are defined and contract oversight takes place. Although these officials told us that they currently understand their responsibilities, without being clearly defined in the existing agreements, roles and responsibilities may be less clear in the future when personnel change.

ANCP Is Developing New Policies and Procedures, but Has Not Yet Fully Determined Contracting Staff Needs

In response to previous findings, ANCP has taken a number of steps to improve contracting practices within the organization, including developing new internal policies and procedures and improving training for staff responsible for providing contract oversight. ANCP, working with the MICC, has also dedicated additional staff resources to improve contract management. Many of these efforts were in process at the time of our review, including decisions on contracting staff needs, and their success will depend on continued management attention.

ANCP Contracting Policies and Procedures

Arlington has taken several steps to more formally define its own internal policies and procedures for contract management. Office of Management and Budget guidance notes that policies and procedures embody the basic principles that govern the way an agency performs the acquisition function.¹⁹ In July 2010, the Executive Director of ANCP issued guidance stating that the Army Contracting Command and USACE are the only authorized contracting centers for Arlington. Furthermore, the Executive Director also issued a memo in June 2010 indicating that ANCP's Chief of Staff has the authority to approve purchase requests, which officials indicated includes those associated with the use of contracts. Officials at ANCP and the MICC-Fort Belvoir are continuing efforts to (1) develop standard operating procedures associated with purchase requests; (2) develop memoranda for all ANCP employees that outline principles of the procurement process, as well as training requirements for contracting officer's representatives; and (3) create a common location for reference materials and information associated with Arlington contracts. ANCP officials stated that they expect to finalize development of this guidance by December 2011. Working with the MICC-Fort Belvoir, Arlington has also taken steps to ensure that staff receive appropriate training to provide for better contract management and oversight. This includes coordinating training support from the Defense Acquisition University on contract planning and execution, as well as one-on-one training with the contracting officer's representatives. In May 2011, the Executive Director issued guidance requiring contracting officer's representative training for all personnel assigned to perform that role. At the time of our review, all of the individuals serving as contracting officer's representatives had

¹⁹Executive Office of the President, Office of Management and Budget, Office of Federal Procurement Policy, *Guidelines for Assessing the Acquisition Function* (May 2008).

received training for that position, and officials identified training as an area on which they plan to continue to focus in the future.²⁰

In its September 2011 follow-on report, the Army IG also noted the progress ANCP has made with regard to documenting policies and procedures and training, but made additional recommendations in this area. For example, the Army IG noted an increased emphasis on acquisition training, specifically in the areas of contract formation and contract management. The report recommended Arlington continue to develop a comprehensive training program to ensure all employees have the knowledge and skills necessary to be proficient in the core competencies necessary to accomplish its mission. The Army IG also recommended that ANCP continue to develop and document appropriate standard operating procedures, policies, and guidance. In response, ANCP concurred with each of these recommendations.

ANCP Contracting Support Staff

In response to Army Directive 2010-04, the U.S. Army Manpower Analysis Agency and the U.S. Army Force Management Support Agency completed a study in July 2010 which assessed Arlington's manpower needs. The study identified the need for three full-time contract specialist positions within Arlington based on an analysis of the contract workload in place at the time. However these positions have not been filled to date. Instead, ANCP's needs have been met through the use of staff provided by the MICC. For example, in September 2010, a contract specialist was detailed to Arlington on a full-time basis to help improve internal contract management processes, among other duties. Table 1 describes current ANCP contracting support positions by level and funding arrangements.

²⁰Army guidance on managing service acquisitions notes that effective contract surveillance requires appropriate monitoring of contractor performance, and we have reported on the need to train personnel to ensure that adequate surveillance occurs. For example, see GAO, *Defense Acquisitions: Actions Needed to Ensure Value for Service Contracts*, [GAO-09-643T](#) (Washington, D.C.: Apr. 23, 2009).

Table 1: Current Army National Cemeteries Program Contracting Support Positions

Positions Identified in Army National Cemeteries Program Table of Distribution and Allowances	Positions Provided by the Mission and Installation Contracting Command-Fort Belvoir	
	Funded by the Army National Cemeteries Program	Funded by the Mission and Installation Contracting Command-Fort Belvoir
GS-13 Contract Specialist	GS-13 Contract Specialist <ul style="list-style-type: none"> Manage and oversee contracting support 	GS-14 Contract Specialist <ul style="list-style-type: none"> Provide external coordination and oversight
GS-12 Contract Specialist	GS-12 Contract Specialist <ul style="list-style-type: none"> Manage contracting workload 	GS-13 Contract Specialist <ul style="list-style-type: none"> Coordinate government purchase card program
GS-12 Contract Specialist	GS-12 Contract Specialist <ul style="list-style-type: none"> Responsible for contracting actions 	GS-12 Contract Specialist <ul style="list-style-type: none"> Provide liaison support between Army National Cemeteries Program and Fort Belvoir
	GS-12 Quality Assurance Specialist <ul style="list-style-type: none"> Assist with training and contract oversight efforts 	Contractor <ul style="list-style-type: none"> Responsible for contracting actions
	Contractor <ul style="list-style-type: none"> Provide assistance in requirements development 	Contractor <ul style="list-style-type: none"> Responsible for contracting actions

Source: Department of the Army.
 Note: Gray = filled position
 White = unfilled position

ANCP officials, including the Executive Director, have since identified the need for a contracting specialist at the GS-14 level, which is not currently reflected in Arlington’s Table of Distribution and Allowances.²¹ At the time of our review, ANCP officials stated that they intended to request an update to their staffing allowance for fiscal year 2013 to fill this new position, but do not intend to fill the GS-12 positions in the foreseeable future. Officials at ANCP and the MICC-Fort Belvoir contracting office stated that they are also evaluating staffing requirements to determine the appropriate number, skill level, and location of contracting personnel who are funded by ANCP and provided by the MICC-Fort Belvoir under the

²¹For certain organizations within the Army, a Table of Distribution and Allowances is an authorization document that prescribes the organizational structure and the personnel and equipment requirements and authorizations to perform a specific mission. We discuss additional information related to ANCP’s workforce planning and staffing beyond contracting in a separate report, [GAO-12-105](#).

current support agreement between the two organizations. As shown in the table, the MICC-Fort Belvoir is providing additional support beyond those positions funded by ANCP to help ensure adequate support for ANCP's requirements. Arlington personnel we spoke with noted benefits from this dedicated staff support. For example, the dedicated quality assurance specialist started working directly with staff at Arlington in May 2011 and stated that he has focused on training, teaching, and mentoring the Arlington contracting officer's representatives on their basic duties, surveillance activities, and documentation requirements.²² The contracting officer's representatives at Arlington stated that they have worked closely with the quality assurance specialist on developing surveillance schedules and checklists and to ensure their files are complete.

Contracting Support Organizations Are Implementing Changes to Address Deficiencies

USACE has also taken steps to improve its own processes, procedures, and training for contract management, including issuing a corrective action plan to address findings from the 2010 Army IG report and procurement management review. The corrective action plan details initiatives to instill policy, procedures, and acquisition discipline through standardized processes and training. For example, USACE is implementing a contracting officer's representative database and conducting enterprise training on the development of quality assurance surveillance plans and contract closeout training. The corrective action plan details responsibilities for implementing these actions at all levels within the organization. In addition to the corrective action plan, USACE initiated an acquisition process improvement plan at the Baltimore District, including an analysis of the underlying causes of the deficiencies identified through prior reviews, as well as tasks organized around improving business process and policies; documentation and compliance; engagement, leadership, and culture; organization, staffing, and resources; and training.

While progress has been made, subsequent reviews have continued to indicate risks associated with contracting at USACE. Specifically, a June 2011 Army Audit Agency report on Arlington contracts at the USACE

²²The contracting officer's representative serves as the onsite technical subject matter expert assessing contractor performance against contract performance standards and recording and reporting this information, including inspecting and accepting supplies and services.

Baltimore District contracting office noted that while corrective actions planned or taken will likely improve contract quality in the future, additional corrective actions are needed to reduce the risk of similar issues recurring.²³ USACE has elected to transfer support of Arlington contracts from the Baltimore District to the Norfolk District, and has been in the process of executing that transition over the past few months. In two recent procurement management reviews conducted during July and August of 2011, contracting officials within USACE continued to identify concerns at both the Baltimore and Norfolk Districts, and rated certain aspects of contracting operations, including pre-award and post-award contract execution as medium or high risk. Although these reviews are not specific to Arlington, given their relationship, ANCP contracting success will depend substantially on the ability of USACE to continue to improve its practices.

Although no longer directly supporting contracting requirements for Arlington at the time of our review, NCR was also taking steps to improve its own processes, procedures, and training for contract management. NCR issued a corrective action plan to address deficiencies and recommendations identified in a program management review performed by the Deputy Assistant Secretary of the Army (Procurement). The specific corrective actions include finalizing contract support agreements, providing support to contracting officer's representatives, training, reassigning information technology requirements, performing reviews of all open Arlington requirements, and developing new standard operating procedures. An April 2011 procurement management review stated that NCR's corrective actions were complete or near completion. According to this review, NCR implemented ACC Pamphlet 70-1, *Interim Army Contracting Command Contracting Officer's Representative Policy Guide*, and developed a Contracting Officer's Representative Management Plan in accordance with this pamphlet to address the deficiency of contracting officer's representative appointment letters and training certificates missing from contract files. A November 2011 report by the Army Audit

²³Army Audit Agency, *Contracting Operations in Support of Arlington National Cemetery: U.S. Army Corps of Engineers, North Atlantic Division, Baltimore District, A-2011-0144-ALC* (Alexandria, Va.: 2011).

Agency found that corrective actions planned or taken by NCR should improve the quality of future contracting activities.²⁴

Recent Arlington Contracts Reflect Improved Acquisition Practices

Prior reviews of Arlington have identified numerous issues with contracts in place prior to the new leadership at ANCP. While our review of similar contracts found common concerns, we also found that newly awarded contracts reflect improvements in acquisition practices. Our previous contracting-related work has identified the need to have well-defined requirements, sound business arrangements (i.e., contracts in place), and the right oversight mechanisms to ensure positive outcomes. In the case of those recent Arlington contracts, we found examples of improved documentation designating contracting officer's representatives and certifying training in contract files for both NCR and the MICC-Fort Belvoir. Additionally, Arlington took steps to better define and consolidate existing requirements for services supporting daily cemetery operations. In light of the issues identified by the Army IG, ANCP advised NCR not to exercise the remaining option years for such contracts. Instead, the period of performance was extended for a short time while new contracts were competed and awarded by the MICC-Fort Belvoir. For example, three different contracts previously in place supported Arlington requirements for landscaping, but were consolidated into a single contract to cover the same services. Staff at Arlington responsible for oversight indicated that this has helped to simplify their responsibilities as contracting officer's representatives.

Newly awarded contracts also reflected more specific requirements for contractor performance when compared with prior contracts for similar services. For example, the new contract for headstone installation services now defines specific steps the contractor is to take to ensure verification of the decedent's name and grave number on the temporary headstone, prior to setting the headstone, and also instructs the contractor not to remove the temporary marker. Additionally, any discrepancies are to be promptly reported to the contracting officer's representative. The previous headstone contract was silent on this procedure. Likewise, Arlington's new information technology-related efforts reflect improvements from those conducted prior to June 2010,

²⁴Army Audit Agency, *Contracting Operations in Support of Arlington National Cemetery: Army Contracting Command National Capital Region*, A-2012-0021-ALC (Alexandria, Va.: 2011).

including the newly issued task orders associated with development of Arlington's Geographic Information System. The Deputy Assistant Secretary of the Army (Procurement) reported that although the prior administration at Arlington had eight contracts to develop this system, nothing was actually deployed, contract deliverables were not clear, and contract file documentation for acquisition planning and oversight was missing. While development of this capability is still ongoing, the contract files for the associated task orders issued by the Army Geospatial Center contained more complete documentation of acquisition planning, competition, and oversight activities. Similarly, requirements in the most recent contract awarded for document-scanning efforts to digitize burial records are much more detailed. The performance work statement for the new contract specifically lists the different types of cards to be scanned, such as record of interment cards, grave cards, and reservation cards, and the type of data to be collected from each card. The current scanning contract also lists the specific data fields—including cemetery section number; gravesite location; gravesite status; first, middle, and last name of the decedent; date of interment; and branch of service—to be entered as part of the data entry services; none of which was specified in the statement of work for a prior contract awarded in 2005 to scan Arlington records. At the time of our review, many of these efforts were still underway, so while initial steps taken reflect improvement, their ultimate success is not yet certain.

Risk Factors Remain for ANCP Acquisitions

In its June 2010 review, the Army IG noted that most of Arlington's contracts were of a small dollar value compared to other major Army contracts; and therefore may not receive the same level of attention as other, more costly contracts. Our prior work has shown that in some cases, dollar value may not be a good proxy for determining risk. For example, some high-dollar contracts could pose relatively little risk to achieving the agency's mission. Conversely, certain lower dollar contracts may pose higher risk and, therefore, require greater management attention.²⁵ Many of the contracts and task orders we reviewed for Arlington bear the characteristics of acquisitions that are traditionally considered to be low risk. For example, the majority provided for payments to be made on a firm-fixed price basis, which entails less risk for the government; many were for commercial services, which allows for

²⁵[GAO-07-20](#).

the use of streamlined acquisition procedures; and many had dollar values below existing thresholds for activities such as the completion of formal, written acquisition plans. In its more recent report detailing progress at Arlington, the Army IG noted that the contract files for smaller dollar value actions awarded by the MICC-Fort Belvoir contracting office generally contained more errors than did the files for larger dollar value actions. Accordingly, the Army IG made a series of new recommendations to ensure continued attention to Arlington contracts, including that the Army Contracting Command and USACE include all Arlington contracting actions in the review process at levels above the contracting officer until the Deputy Assistant Secretary of the Army (Procurement) determines those contracts to be low risk. It also recommended that both organizations continue to assess and target areas of improvement within their respective commands and provide appropriate corrective actions to strengthen the quality of the acquisitions supporting Arlington. If implemented appropriately, these steps may help to ensure continued attention to the management of Arlington's contracts in the future.

Conclusions

Since June 2010, the Army has taken a number of positive actions to address problems caused by a previous lack of adherence to sound acquisition practices at Arlington National Cemetery. While significant progress has been made, our work suggests that further action is needed to ensure future success. Although ANCP has taken steps to improve its internal financial management capabilities, it does not yet have a cohesive way of identifying and tracking complete data on all contracts. ANCP relies heavily on other organizations to achieve its mission, which leverages their expertise but can introduce risks. Ensuring that roles and responsibilities are more fully defined between ANCP and its partners can help to mitigate such risks. Further, ANCP has utilized its contract support relationships to obtain dedicated personnel to improve its own internal acquisition management capabilities. However, ANCP has not yet completed a needs assessment which could inform decisions such as whether and how to make these arrangements permanent. Ensuring the availability of more complete and accurate information on contracts; strengthening and clarifying support relationships; and having the right mix of people will help ANCP ensure sustained attention to contract management and institutionalize progress made to date, particularly as the current spotlight fades.

Recommendations for Executive Action

To ensure continued improvement in the management and oversight of contracts, we recommend that the Secretary of the Army direct the Executive Director of the Army National Cemeteries Program, in coordination with other Army organizations as appropriate, to take the following three actions:

- identify and implement a method by which complete and accurate data on contracts supporting Arlington's operations will be tracked and clearly designate responsibility for doing so;
- ensure that support agreements clearly assign roles and responsibilities associated with the decision to use, manage, and oversee contracts supporting Arlington's operations; and
- determine, based on an assessment of Arlington's needs, the appropriate number and required skill levels associated with contracting positions necessary to support Arlington and ensure those positions are filled.

Agency Comments and Our Evaluation

We provided a draft of our report to DOD for review and comment. We received DOD's written response from the Executive Director of ANCP which is reprinted in appendix II. The Executive Director also provided technical comments, which we addressed in the report as appropriate.

DOD partially concurred with all three of our recommendations, agreeing that there is a need to take actions to address the issues we raised but indicating that our recommendations did not adequately capture Army-wide efforts currently underway. We believe our report reflects the significant progress made by Arlington and recognizes actions highlighted by the Executive Director. We continue to be encouraged by the Army's focus on improving contracting practices and believe that implementation of our recommendations will help to institutionalize the positive steps taken to date. With respect to our recommendation to identify and implement a method to track complete and accurate data on contracts supporting Arlington's operations, the Executive Director noted the Army's intention to implement a methodology based on an electronic tool which is expected to collect and reconcile information from a number of existing data systems. Our report acknowledges development of this tool, now planned for implementation in April 2012. However, we also identified shortcomings associated with some of these data systems and continue to believe that implementation of this methodology should take these shortcomings into account. The Executive Director noted planned actions expected for completion by March 2012 that, if implemented, would satisfy the intent of our other two recommendations.

We are sending copies of this report to appropriate congressional committees, the Secretary of Defense, the Secretary of the Army, and the Secretary of Veterans Affairs. In addition, this report will be available at no charge on our website at <http://www.gao.gov>.

If you or your staff has any questions about this report, please contact me at (202) 512-4841 or martinb@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made major contributions to this report are listed in appendix III.



Belva M. Martin
Director, Acquisition and Sourcing Management

List of Committees

The Honorable Carl Levin
Chairman
The Honorable John McCain
Ranking Member
Committee on Armed Services
United States Senate

The Honorable Joseph I. Lieberman
Chairman
The Honorable Susan M. Collins
Ranking Member
Committee on Homeland Security and Governmental Affairs
United States Senate

The Honorable Patty Murray
Chairman
The Honorable Richard Burr
Ranking Member
Committee on Veterans' Affairs
United States Senate

The Honorable Howard P. "Buck" McKeon
Chairman
The Honorable Adam Smith
Ranking Member
Committee on Armed Services
House of Representatives

The Honorable Darrell E. Issa
Chairman
The Honorable Elijah Cummings
Ranking Member
Committee on Oversight and Government Reform
House of Representatives

The Honorable Jeff Miller
Chairman
The Honorable Bob Filner
Ranking Member
Committee on Veterans' Affairs
House of Representatives

Appendix I: Objectives, Scope, and Methodology

Public Law 111-339 directed GAO to report on the management and oversight of contracts at Arlington National Cemetery (Arlington) as well as a number of other issues related to management at Arlington more generally. This report addresses issues specifically associated with contracting; we are reporting separately on the Army's efforts to address identified management deficiencies; the information and assistance provided to families regarding efforts to detect and correct burial errors; and factors that may affect the feasibility or advisability of transferring jurisdiction of Arlington to the Department of Veteran's Affairs and the potential for collaboration between the two departments.¹ To satisfy the mandate related to contracting, we (1) identified the number, duration of, and dollar amount spent on current contracts used to support operations at Arlington, including those used to support information technology systems for the automation of burial operations; and (2) assessed the extent to which the Army has put processes and procedures in place to provide for the effective management and oversight of contracts supporting Arlington.

We defined current contracts as those contracts or task orders that were newly awarded or modified during fiscal year 2010 and the first three quarters of fiscal year 2011 with planned or total obligations above \$100,000. We requested data identifying such contracts from the U.S. Army Corps of Engineers (USACE); the Mission and Installation Contracting Command (MICC)-Fort Belvoir and MICC-Fort Myer contracting offices; and the Army Contracting Command National Capital Region (NCR). We also asked officials from the organizations providing information technology assistance to Arlington, including the Army Information Technology Agency, Army Analytics Group, and the Office of the Assistant Chief of Staff for Installation Management to identify current contracts they relied on to support Arlington. We used data provided by these organizations, information from the procurement management reviews conducted by the Deputy Assistant Secretary of the Army (Procurement), as well as interviews with officials at Arlington currently responsible for information technology efforts and the Department of Veterans Affairs to identify contracts and task orders in support of the Total Cemetery Management System, Interment Scheduling System, Interment Management System, the Geographic Information System, and

¹GAO, *Arlington National Cemetery: Management Improvements Made, but a Strategy is Needed to Address Remaining Challenges*, [GAO-12-105](#) (Washington D.C.: Dec. 15, 2011).

the Burial Operations Support System. To assess the reliability of the data provided by the contracting offices, we compared their data to those (1) included in the Federal Procurement Data System-Next Generation (FPDS-NG), (2) provided by officials at the Army National Cemeteries Program (ANCP), and (3) gathered by the Deputy Assistant Secretary of the Army (Procurement) as well as the Army Audit Agency as part of their respective reviews of Arlington contracts. Through these comparisons, we determined that the MICC-Fort Belvoir and MICC-Fort Myer offices provided reliable data identifying Arlington contracts. After multiple attempts, USACE provided a more complete list of contracts although they did not identify all Arlington contracts, and they also included contracts that were no longer active during fiscal year 2010 or 2011. The NCR contracting office also provided a more complete list of contracts after multiple attempts, but did not identify all Arlington contracts. Because we were able to use the additional data sources indicated above to identify contracts supporting Arlington, we consider the data we compiled to be sufficiently reliable for our purposes.

To report on the duration of contracts we identified, we used contract documents and information from contracting officials to determine the period of performance associated with each contract or task order. To report dollars obligated during fiscal year 2010 and the first three quarters of fiscal year 2011 under the contracts we identified, we relied on data from the FPDS-NG. We compared these data to obligations reported by the contracting offices, and determined data from FPDS-NG to be reliable for our purposes. In a small number of cases, work was performed for Arlington and other organizations under the same task order or modification to an existing task order or contract, and as a result, obligations in FPDS-NG reflected work beyond that which specifically supported Arlington. In these instances, we used contract documents and information from agency officials to identify obligations specifically associated with Arlington.

To assess the processes and procedures in place to provide for the effective management and oversight of contracts and to address prior recommendations from the Army IG, we obtained and analyzed guidance, policies, and other documentation from officials at Arlington, the contracting offices providing support, and other Army organizations. To assess the implementation of Army Directive 2010-04 specific to contracting, we reviewed the procurement management reports compiled by and interviewed officials from the Deputy Assistant Secretary of the Army (Procurement). We also reviewed plans, reports, and other information and interviewed officials from USACE and the NCR

contracting office to identify steps taken by those organizations to improve contract management. We interviewed senior officials from the Army National Cemeteries Program (ANCP), which oversees Arlington National Cemetery, as well as other ANCP officials responsible for contracting and financial management. We also interviewed officials from the Army Information Technology Agency, the Army Analytics Group, the Office of the Assistant Chief of Staff for Installation Management, the Army Records Management and Declassification Agency, and the Department of Veterans Affairs, National Cemetery Administration to discuss efforts to enhance information technology at Arlington.

To assess the effectiveness of management and oversight of individual contracts and task orders, we reviewed documentation from the files for the 56 current contracts we identified as supporting operations at Arlington, as well as 10 older contracts and task orders associated with information technology efforts underway prior to June 2010. Using a data collection instrument, we reviewed documents and information associated with all phases of the acquisition process, including pre-award acquisition planning, contract award, and post-award administration and oversight. The NCR contracting office, USACE, Defense Information Technology Contracting Organization, and Army Communications-Electronics Command each utilized task orders under existing indefinite delivery indefinite quantity contracts, or in some cases, modifications to existing task orders to support Arlington. In these instances, we focused our review on contract file documentation associated with the task orders or modifications related to Arlington. We interviewed officials currently designated as contracting officer's representatives at Arlington and reviewed contract surveillance documentation to assess the effectiveness of current oversight practices.

We conducted this performance audit from March 2011 through December 2011 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Appendix II: Comments from the Department of Defense



DEPARTMENT OF THE ARMY
ARMY NATIONAL CEMETERIES PROGRAM
ARLINGTON NATIONAL CEMETERY
ARLINGTON, VA 22211-5003

DEC 06 2011

Office of the Executive Director

Ms. Belva M. Martin
Director, Acquisition and Sourcing Management
U.S. Government Accountability Office
441 G Street, NW
Washington, DC 20548

Dear Ms. Martin:

This is the Department of Defense (DoD) response to the GAO Draft Report, GAO-12-99, "ARLINGTON NATIONAL CEMETERY: Additional Actions Needed to Continue Improvements in Contract Management," dated November 14, 2011 (GAO Code 120967). I thank you and your organization for the opportunity to review this report and for the recommendations to improve and enhance our contracting management.

DoD partially concurs with all three recommendations rendered in the report. The report recommendations do not adequately capture the efforts underway to implement Army-wide comprehensive contract planning, resourcing and execution management systems. The Army National Cemeteries Program is committed to ensure accountability and diligent conservation of government resources.

Thank you for your recommendations and your interest in Arlington National Cemetery.

Sincerely,

A handwritten signature in black ink that reads "Kathryn A. Condon".

Kathryn A. Condon
Executive Director

Enclosure

GAO DRAFT REPORT DATED NOVEMBER 14, 2011
GAO-12-99 (GAO CODE 120967)

“ARLINGTON NATIONAL CEMETERY: ADDITIONAL ACTIONS NEEDED
TO CONTINUE IMPROVEMENTS IN CONTRACT MANAGEMENT”

DEPARTMENT OF DEFENSE COMMENTS
TO THE GAO RECOMMENDATIONS

RECOMMENDATION 1: To ensure continued improvement in the management and oversight of contracts, GAO recommends that the Secretary of the Army direct the Executive Director of the Army National Cemeteries Program, in coordination with other Army organizations as appropriate, to identify and implement a method by which complete and accurate data on contracts supporting Arlington’s operations will be tracked and clearly designate the responsibility for doing so.

DoD RESPONSE: Partially Concur. While this finding correctly identifies an Army-wide issue, the finding does not adequately address how the Army National Cemeteries Program (ANCP) and the Army are addressing this issue. There is currently no comprehensive end-to-end data system for managing contract requirements planning, resourcing and contract execution. In the absence of an Army-wide system, the Arlington National Cemetery staff is working with the Mission and Installation Contracting Command to implement a comprehensive contract requirements planning, resourcing, execution and management methodology that provides complete and accurate contract data visibility. This methodology is based on the Virtual Contracting Enterprise (VCE) tool as the primary database for procurement planning and contract milestone management. Modules within VCE will collect contract financial management data from the General Fund Enterprise Business System (GFEBS) and U.S. Army Corps of Engineers Financial Management System (CEFMS), contract execution data from the Standard Procurement System-Procurement Desktop 2 and other contract writing systems; and will be reconciled with the Federal Procurement Data System-Next Generation (FPDS-NG) to provide comprehensive contract data visibility for the entire planning, resourcing, execution and management cycle. It is anticipated that this comprehensive system will be in place and reconciled by April 2012.

RECOMMENDATION 2: To ensure continued improvement in the management and oversight of contracts, GAO recommends that the Secretary of the Army direct the Executive Director of the Army National Cemeteries Program, in coordination with other Army organizations as appropriate, to ensure that support agreements clearly assign roles and responsibilities associated with the decision to use, manage and oversee contracts supporting Arlington’s operations.

DoD RESPONSE: Partially concur. This finding fails to adequately address the work done by ANCP and support commands to resolve this issue. ANCP staff with primary support from the Army Contracting Command (Mission and Installation Contracting Command) is working to revise existing support agreements to clearly establish contract support relationships for specific commodities and services, and clearly define roles and responsibilities for contract planning, execution, management and reporting. These agreements will incorporate revised cemetery Standard Operating Procedures, and include responsibilities for contract data input and management within the comprehensive contract data management system addressed in Recommendation 1. It is anticipated that these revised support agreements will be complete by March 2012.

RECOMENDATION 3: To ensure continued improvement in the management and oversight of contracts, GAO recommends that the Secretary of the Army direct the Executive Director of the Arlington National Cemeteries Program, in coordination with other Army organizations as appropriate, to determine, based on an assessment of the Cemetery's needs, the appropriate number and required skill levels associated with contracting positions necessary to support Arlington and ensure those positions are filled.

DoD RESPONSE: Partially concur. This recommendation fails to fully document the remediation plan developed by the Army and now entering the execution phase to address this concern. The Arlington National Cemetery staff with primary support from the Army Contracting Command (Mission and Installation Contracting Command) intends to conduct a revised workload analysis incorporating the current contract support requirements and include any additional workload required to implement the above improvement in contract planning, resourcing, execution and management. The optimum distribution of identified support requirements include planning and management positions on the Arlington National Cemetery Table of Distribution and Allowances (TDA), and contract execution and oversight positions on the Army Contracting Command (Mission and Installation Contracting Command) TDA. This combined distribution of contract support positions aligns contract support with both the requirements and procurement authorities. It is anticipated that this review will be completed by March 2012. Both Arlington National Cemetery staff and the Army Contracting Command will select the highest priority among identified support positions and will expedite hiring actions to ensure these positions are filled with highly qualified personnel as quickly as possible.

Appendix III: GAO Contact and Staff Acknowledgments

GAO Contact

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Staff Acknowledgments

In addition to the contact named above, Brian Mullins, Assistant Director; Kathryn Edelman; Julie Hadley; Kristine Hassinger; Julia Kennon; Lina Khan; Jean McSween; Roxanna Sun; and Bob Swierczek also made key contributions to this report.

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