



DEPARTMENT OF THE ARMY
OFFICE OF THE ASSISTANT SECRETARY OF THE ARMY
ACQUISITION LOGISTICS AND TECHNOLOGY
103 ARMY PENTAGON
WASHINGTON DC 20310-0103

13 SEP 2006

SFAE-PCO-C

MEMORANDUM FOR DIRECTOR, ACQUISITION SUPPORT CENTER

SUBJECT: Continuance of Support for the Contracting Mission After
Dissolution of the Project and Contracting Office (PCO)

Pursuant to the National Security Presidential Directive 36 and Secretary of the Army memorandum, January 7, 2005, subject: Delegation of Authority as Executive Agency for the PCO, I hereby direct the continuance of the contract oversight mission for the residual contracting mission. Based on history, the contracting mission will continue past the established dissolution date for the PCO. A synopsis of the history of PCO is included at enclosure.

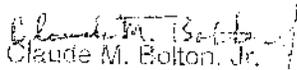
The Office of the Assistant Deputy Assistant Secretary of the Army (Policy and Procurement)-Iraq/Afghanistan (OADASA(P&P)-I/A) is established to support the continuing contract oversight mission. The mission of the OADASA (P&P)-I/A is to provide the administrative and contract management oversight of the contracting activities/agencies in support of the humanitarian relief, reconstruction, and security of Iraq and Afghanistan; Headquarters, Department of the Army contract management oversight in support of the Iraq and Afghanistan missions; management of the historical repository for reconstruction contracts; Congressional responses; and military and civilian personnel support to the Joint Contracting Command-Iraq. The derivative Unit Identification Code is W27P43.

The newly established office will reside on the Acquisition Support Center Table of Distribution and Allowances. The office will maintain the PCO's status as a joint organization for staffing and awards purposes. To meet the needs of transitioning the work to the new office, current PCO employees assigned to the contracting mission will be placed using the Schedule A appointing authority authorized by the Office of Personnel Management (OPM) on April 1, 2005. Specifically, OPM authorized the use of Title 5 Code of Federal Regulations (CFR) 213.3106(b)(10) to make time limited appointments in the Excepted Service for temporary (not to exceed 1 year) or time-limited appointments for any period of time in excess of one year, which may be non-competitively extended according to mission requirements, to positions that directly support U.S. Government efforts to rebuild Iraq and Afghanistan. When making

appointments under this authority, the appointing authority on the Notification of Personnel Action, SF-50, as "Schedule A, 213.3106(b)(10)" will be cited.

Additionally, by memorandum dated February 7, 2005, the Department of Defense has authorized an exception to the provisions of the Defense Priority Placement Program for appointments made under Title 5 CFR 213.3106(b)(10). The Reemployment Priority List and Interagency Career Transition Assistance Plan under Title 5 CFR Part 330 do not apply to excepted appointments.

My point of contact is Ms. Carolyn Creamer (703) 696-5030, or e-mail: carolyn.creamer@hqda.army.mil.


Claude M. Bolton, Jr.

Assistant Secretary of the Army
(Acquisition, Logistics and Technology)

Enclosure

Synopsis of the History of the Project and Contracting Office

- A. On May 21, 2003, Department of Defense (DoD) designated the Secretary of the Army (SecArmy) as the DoD Executive Agent for support of the Office of Reconstruction and Humanitarian Assistance (ORHA), with responsibility to provide such administrative, logistics, and contracting support as ORHA required for humanitarian relief and reconstruction for the people of Iraq. The authority for oversight was tasked to the Deputy Assistant Secretary of the Army (Policy and Procurement) (DASA P&P). SecArmy, in coordination with the Director, ORHA, was tasked to coordinate financial requirements for support of ORHA with the Under Secretary of Defense (Comptroller) and Director, Administration and Management who were responsible for identifying funding for these requirements and for providing appropriate management oversight for all funding provided to support this mission.
- B. On June 16, 2003, DoD dissolved the ORHA and tasked the Coalition Provisional Authority (CPA) to assume ORHA's functions, responsibilities, and legal obligations. Further, DoD's June 16, 2003 memorandum also directed that the responsibilities of the SecArmy with regard to providing administrative support to ORHA, as provided in DoD's May 21, 2003 memorandum designation of the SecArmy as DoD's Executive Agent for ORHA, shall be exercised in support of the CPA.
- C. On January 14, 2004, DoD modified accordingly its memoranda of May 13, 2003, designating the SecArmy as DoD's Executive Agent for the ORHA, and June 16, 2003, providing for the exercise of that responsibility in support of the CPA, to assign authority and responsibility to the SecArmy for the provision of acquisition and program management support to the CPA (Iraq and Washington) and any successor entity.
- D. Correspondingly, in January 2004, on behalf of the SecArmy, the ASA(ALT) and DASA (P&P) established the Office of the Assistant Deputy Assistant Secretary of the Army for Policy and Procurement for Iraq (OADASA(P&P)-I/A) within the framework of the Coalition Provisional Authority-Washington(CPA-W) office to put policies and procedures in place for the solicitation and award of Iraq reconstruction contracts. The OADASA (P&P)-I/A office's line of authority reports directly to the DASA (P&P).
- E. On April 1, 2004, DoD modified its memorandum of January 14, 2004 assigning the SecArmy responsibility for acquisition and program management support to the CPA, to direct that the Department of the Army would be reimbursed, to the extent permitted by law, from funds available to pay the administrative expenses of agencies that obligate, manage, or administer funds appropriated for the Iraq Relief and Reconstruction Fund (IRRF) pursuant to the

Emergency Supplemental Appropriations Act for the Reconstruction of Iraq and Afghanistan, 2004, Public Law 108-106.

F. National Security Presidential Directive (NSPD) Number 36, dated May 11, 2004, entitled "United States Government Operations in Iraq," stipulated that when the CPA was terminated, the United States would be represented in Iraq by a Chief of Mission (COM), who, on behalf of the President of the United States, and under the guidance of the U.S. Secretary of State, would be responsible for the direction, coordination, and supervision of all USG employees, policies, and activities in country, except those under the command of an area military commander, and employees seconded to an International Organization. Under NSPD 36, the U.S. Secretary of State is responsible for the continuous supervision and general direction of all assistance for Iraq.

G. NSPD 36 established the Iraq Reconstruction Management Office (IRMO), under the control of the COM, to facilitate the transition in Iraq. IRMO, located at the U.S. Embassy in Baghdad, coordinates USG reconstruction efforts amongst the various federal agencies, including USAID, and the Iraqi government.

H. NSPD No. 36 also established the Project and Contracting Office (PCO), a temporary organization, within the Department of Defense (DOD), to execute the reconstruction mission of Iraq. PCO is responsible for providing project management and acquisition support in Iraq to the COM. In broadest terms, the PCO is responsible for all activities associated with program, project, and asset management, contract administration and oversight, construction, and financial management of \$12.6 billion of the \$18.6 billion appropriated by U.S. Congress under the FY04 Supplemental Funding Authorization to support the reconstruction of the Iraqi infrastructure. PCO's responsibilities specifically include contract management, administration and oversight, engineering auditing, and other contract-related activities.

I. On June 23, 2004, the Deputy Secretary of Defense implemented the provisions of NSPD No. 36 by establishing and placing the PCO within the Department of the Army, and therewith delegated to the Department of the Army responsibility for Acquisition and Program Management support for all efforts supporting security, humanitarian relief and reconstruction in Iraq.

- (1) This memorandum further specified that until June 30, 2004, the PCO would provide acquisition and program management support to the Administrator of the CPA. After June 30, 2004, the PCO would support the close-out of the CPA and would provide acquisition and program management support to the Chief of Mission in Iraq, as requested by the Secretary of State, and for other activities in Iraq, as requested by the heads of other Departments and agencies.

- (2) The OADASA (P&P) Iraq was placed as a sub-paragraph on the PCO's TDA managed by the Acquisition Support Center and was charged with coordinating contracting oversight and support to the PCO, and the Multi-National Forces-Iraq (MNF-I).
- (3) This memorandum directed that, in accordance with 5 U.S.C § 3161, the Secretary of the Army may appoint persons to positions of employment within the PCO in such numbers and with such skills as are necessary for the performance of the PCO's functions. In addition, the PCO would be staffed by personnel from each Military Department and, where appropriate, other DOD components.
- (4) The memorandum also provided that the Department of the Army would be reimbursed, to the extent permitted by law, from funds available to pay for the administrative expenses of agencies that obligate, manage, or administer funds appropriated for the Iraq Relief and Reconstruction Fund (IRRF) pursuant to the Emergency Supplemental Appropriations Act for Defense and for the Reconstruction of Iraq and Afghanistan, 2004, Public Law 108-106. Support provided to other Departments and agencies that is not reimbursable under that Act, or subsequently enacted legislation, shall be provided under the Economy Act or other applicable legal authorities.

J. On January 07, 2005, the SecArmy formally delegated the authority and responsibility to direct and oversee the operations of the PCO to the ASA (ALT).

K. CENTCOM FRAGOs 09-668 and 09-790 established the Joint Contracting Command-Iraq (JCC-I). While JCC-I is not an Army *asset*, it derives its contracting authority from the ASA (ALT) as the Army Acquisition Executive (AAE) and is supported by OADASA (P&P) I/A, who also provides contracting policy oversight. The scope of the contracting activities was also broadened from Iraq reconstruction support to include responsibility for security, humanitarian relief, and reconstruction in CJOA Iraq and CJOA Afghanistan. Figure 1 summarizes the evolution of the JCC-I/A.

JCC-I/A – Evolution

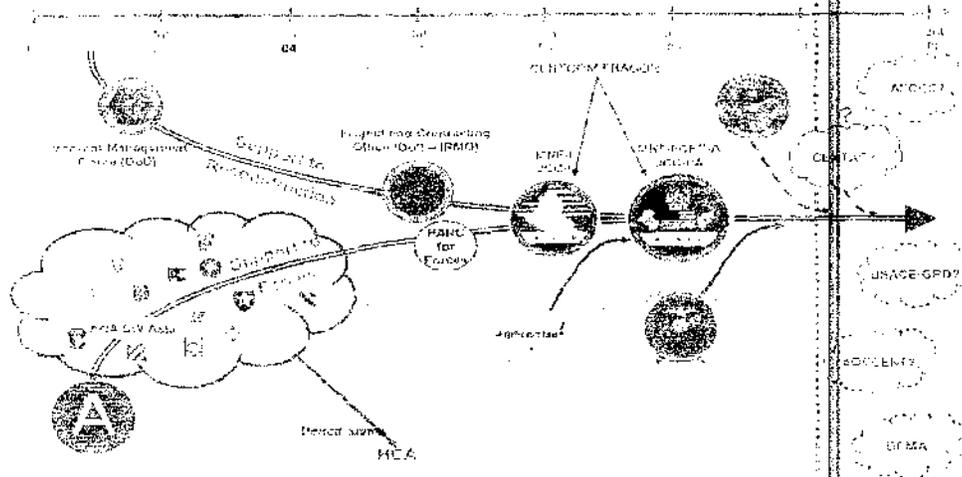


Figure 1

L. On 18 April 2006, the ASA(ALT) formally aligned the chain of command/line of authority for the two separate missions of the Project and Contracting Office, the Project/Program Management mission and the Contracting mission in the following manner: (1) The chain of command/line of authority for the Project/Program Management mission of the Project and Contracting Office is under the direction of the Principal Deputy to the Assistant Secretary of the Army for Acquisition, Logistics and Technology (ALT)/Director of Iraq Reconstruction and Program Management, and (2) the chain of command/line of authority for the Contracting mission in Iraq is under the direction of the Deputy Assistant Secretary of the Army (Policy and Procurement), with direct responsibility for day-to-day operations further tasked to the Deputy Assistant Secretary of the Army for Policy and Procurement for Iraq, (DASA(P&P)-I), in Washington, D.C. Budget authority for the respective activities (Project/Program Management and Contracting) are separate to facilitate accomplishment of the respective missions.