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on

"DoD Procurement Policy for Body Armor"

Department of Defense Office of Inspector General

Report No. D-2008-067

March 31, 2008

(Project No. D2007-D000LA-0054.000)

DoD Procurement Policy for Body Armor

Executive Summary¹

Who Should Read This Report and Why? DoD acquisition and contracting personnel should read this report because it concerns procurement decisions for body armor components used by DoD in the Global War on Terror.

Background. A member of Congress asked the DoD Office of Inspector General to review DoD procurement of body armor and armored vehicles to determine whether officials followed contracting policies. In addition, the member asked the DoD Office of Inspector General to provide information on why DoD issued contracts to Armor Holdings and Force Protection and to determine the effect the Army's ban on privately procured body armor had on the safety of our Service members. This is the second of two reports issued in response to the request. This report discusses the procurement of various body armor components by the Army and the Marine Corps, and the effect of the ban on privately procured body armor (Appendix C). The first report, Report No. D-2007-107, "Procurement Policy for Armored Vehicles," June 27, 2007, covered the procurement policy for armored vehicles and why DoD issued contracts for armored vehicles to Armor Holdings and Force Protection.

¹ This is the Executive Summary of the Audit on "DoD Procurement for Body Armor" (Report No. D-2008-067, March 31, 2008). A copy of the entire report is available at: <http://www.dodig.mil/Audit/reports/index.html>.

Results. The Army and Marine Corps issued contracts and Federal Supply Schedule orders valued at more than \$5.2 billion for body armor components. The Federal Acquisition Regulation requires contracting organizations to maintain adequate contract documentation to provide a complete acquisition history. Specific information concerning testing and approval of first articles was not included in 13 of 28 Army contracts and orders reviewed, and contracting files were not maintained in 11 of 28 Army contracts to show why procurement decisions were made. As a result, DoD has no assurance that first articles produced under 13 of the 28 contracts and orders reviewed met the required standards, or that 11 of the 28 contracts were awarded based on informed procurement decisions. We recommended that the Program Executive Office Soldier direct testing and evaluation of first articles for contract conformance before production on all contracts, update purchase descriptions, and document contractual actions for all body armor contracts. In addition, we recommended that the U.S. Army Research, Development and Engineering Command ensure First Article Testing instructions are included in contracting documents when applicable, and document contractual actions. We also recommended that the Assistant Secretary of the Army (Acquisition, Logistics, and Technology) ensure proper use of non-DoD contracts to ensure that the contracts are in the best interest of the Government. Recommendations in this report, if implemented, will correct deficiencies identified, and ensure the DoD receives the best value in the body armor it procures. See the Finding section for the detailed recommendations.

Scope Limitations. The audit scope was limited to Army and Marine Corps contracts and orders awarded between January 2004 and December 2006 for body armor components. We divided the acquisition process into three phases: presolicitation, solicitation and evaluation, and contract administration. The scope was limited to reviewing the presolicitation and the solicitation and evaluation

phases of the acquisition process for specific contracts. We also reviewed contracting files as necessary to determine requirements for First Article Testing. We did not evaluate the contract administration phase of the acquisition process, which includes activities performed after contract award, such as quality control and testing,² deliverable requirements, and monitoring and measuring performance and end-user satisfaction, to determine whether the contractor met the requirements of the contract. We also did not visit contractor facilities during the audit. See Appendix F for a summary of the contracts reviewed.

Management Comments and Audit Response. The Program Executive Office Soldier neither concurred nor nonconcurred with Recommendation 1. Specifically, the Program Executive Office Soldier stated that for Recommendations 1.a., 1.b., and 1.c. no action would be required because all of the recommended actions are already regular and consistent current business practices that his office follows in accordance with the Federal Acquisition Regulation. However, our audit results show that testing and evaluation of first articles for contract conformance before production, updating of purchase descriptions, and documenting of all contractual actions for all body armor contracts are not consistently occurring. The Program Executive Office Soldier also provided comments on the draft report and finding, and stated that although not in the scope of our audit, the Army also conducts lot acceptance testing and post issue surveillance testing, both critical parts of the body armor testing program. In an additional meeting with Army officials, the Program Executive Office Soldier stated that the Army has no evidence of deaths that can be attributed to defective body armor. We request that the Program

² Quality control and testing (acceptance testing) involves testing each item or manufacturing lot of items to verify that each particular item meets its specification requirements. The purpose of acceptance testing is to catch random defects on a particular item that are not systemic in the manufacturing process; because of our scope limitation, we did not examine acceptance testing.

Executive Office Soldier provide additional comments on Recommendations 1.a., 1.b., and 1.c. in response to the final report by April 30, 2008.

The Commander, U.S. Army Research, Development and Engineering Command concurred with Recommendation 2. The Commander also provided comments on the draft report and finding. The comments of the Commander, U.S. Army Research, Development and Engineering Command on the recommendation were responsive, and no additional comments are required.

The Deputy Assistant Secretary of the Army (Policy and Procurement), responding for the Assistant Secretary of the Army (Acquisition, Logistics, and Technology), concurred with Recommendation 3. Although he concurred, the Deputy Assistant Secretary's comments are only partially responsive because he did not identify what actions will be taken to ensure that policies and procedures are enforced. We request that the Assistant Secretary of the Army (Acquisition, Logistics, and Technology) provide additional comments that address the proposed actions for Recommendations 3.a.1., 3.a.2., 3.a.3., and 3.a.4. in response to the final report by April 30, 2008. A discussion of the management comments is in the Finding section of the report; the complete text of the comments is in the Management Comments section; and management comments on the draft report and finding, along with audit response, are in Appendix G.