Joint Explanatory Statement to Accompany the FY15 NDAA:

Extension of limitation on aggregate annual amount available for contract services (sec. 813)

The House bill contained a provision (sec. 804) that would extend for 1 year the cap on the aggregate annual amount spent on contracts for services through fiscal year 2015.

The Senate committee-reported bill contained no similar provision.

The agreement includes the House provision with a technical amendment.

We note that the Government Accountability Office (GAO) has stated that the military departments and defense agencies generally have not developed plans to use the inventory of contracted services, mandated since 2008 in section 2330a of title 10, United States Code, to facilitate the Department of Defense’s (DOD) strategic workforce planning, workforce mix, budget decision-making processes, and contract execution and oversight.

Further, GAO found that components may not have fully identified, as required by section 2330a of title 10, United States Code, all instances in which contractors are providing services that are inherently governmental, closely associated with inherently governmental functions, staff augmentation, or personal services, the latter of which we note are prohibited by law.

According to GAO, a key factor inhibiting the components’ inventory review is a lack of accurate and reliable data, which we note the inventory could provide if the components were to implement DOD-wide a common data system based on the Army’s existing system as directed by existing DOD guidance.

In the absence of a plan of action with milestones and timeframes to establish a common data system to collect contractor manpower data, we are leaving the caps on contractor spending in place for fiscal year 2015.