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# Highlights

Highlights of [GAO-07-40](#), a report to Congressional Committees

## Why GAO Did This Study

Since 2003, Congress has appropriated more than \$20 billion through the Iraq Relief and Reconstruction Fund (IRRF) to support Iraq rebuilding efforts. The majority of these efforts are being carried out through contracts awarded by the Departments of Defense (DOD) and State and the U.S. Agency for International Development (USAID). When awarding IRRF-funded contracts for \$5 million or more noncompetitively, agencies are required by statute to provide notification and justification to Congress.

In June 2004, GAO found that agencies generally complied with laws and regulations governing competition to award new contracts, but did not always comply with competition requirements when issuing task orders under existing contracts.

As mandated by Congress, this report (1) describes the extent of competition in Iraq reconstruction contracts awarded by DOD, USAID, and State since October 1, 2003, based on available data, and (2) assesses whether these agencies followed applicable documentation and congressional notification requirements regarding competition for 51 judgmentally selected Iraq reconstruction contract actions.

In written comments, State and USAID concurred with the report findings. DOD provided a technical comment.

[www.gao.gov/cgi-bin/getrpt?GAO-07-40](http://www.gao.gov/cgi-bin/getrpt?GAO-07-40).

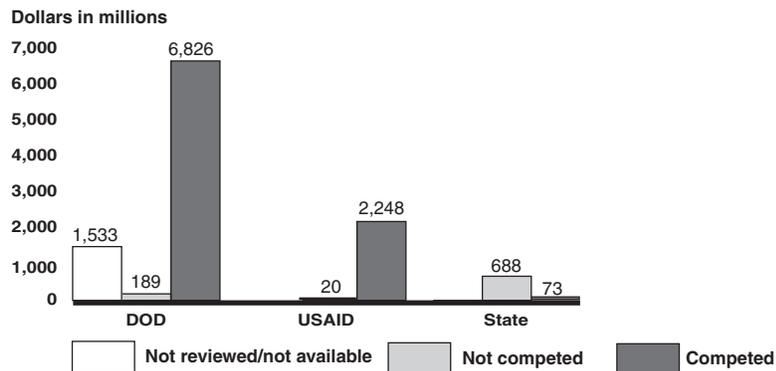
To view the full product, including the scope and methodology, click on the link above. For more information, contact John Hutton at (202) 512-4841 or [huttonj@gao.gov](mailto:huttonj@gao.gov).

## REBUILDING IRAQ

### Status of Competition for Iraq Reconstruction Contracts

#### What GAO Found

While no single, comprehensive system currently tracks governmentwide Iraq reconstruction contract data, available data showed that from October 1, 2003, through March 31, 2006, DOD, USAID, and State collectively awarded the majority of Iraq reconstruction contracts competitively. Based on competition information we obtained on \$10 billion of the total \$11.6 billion in IRRF obligations by these agencies during the period of our review, we found that about \$9.1 billion—or 91 percent—was for competitively awarded contracts. While our ability to obtain complete competition data for all DOD Iraq reconstruction contract actions was limited because not all DOD components consistently tracked or fully reported this information, we obtained information on approximately \$7 billion, or 82 percent, of DOD's total Iraq reconstruction contract obligations, and of this, we found that competition occurred for nearly all of the obligations. Additionally, based on complete data for the period of our review we found that USAID competitively awarded contract actions for 99 percent of its obligations, while State awarded contract actions competitively for only 10 percent of its obligations.



Source: GAO analysis.

GAO reviewed the files for 51 contract actions totaling \$1.55 billion—22 of which were awarded noncompetitively and 29 of which were awarded competitively—almost all of which contained proper documentation. One contract file—for a noncompetitively awarded task order issued by State—did not contain justifications or other required documentation. DOD was also unable to provide documentation for 4 of the competitively awarded contract actions. Of the 22 noncompeted contract actions in GAO's review, State should have notified Congress of 2 actions awarded using other than full and open competition in accordance with notification requirements but did not. State officials told GAO that they have taken steps to address the problem. GAO did not identify any DOD or USAID contract actions within the sample that required notification.