

Contractors in Contingency Operations: Supporting Operation Enduring Freedom

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Introduction

United States Department of Defense (DOD) and State (DOS) contractors, like DynCorp International LLC, operating in the Middle East and supporting Operation Enduring Freedom theater operations, face many unique challenges in developing and maintaining a robust and sustainable Environmental, Health and Safety (EHS) program.

Specific challenges in implementing a value-added EHS/ Risk Management program include, but are not limited to, the following:

- Understanding the nature of this non-traditional work environment,
- Developing a safety program to conform to the specific culture in these environments,
- Knowledge of host nation regulatory requirements,
- Extended work days in austere and hostile environments,
- Training and utilizing an extremely diverse workforce,
- Integrating multiple teams with varying levels of expertise into a cohesive process to affect change, and,
- Utilizing third party resources effectively.

Presentation Outline

This presentation will focus on the aspects of building and implementing a value-added EHS, Loss Control and Risk Management program in a contingency environment. It will discuss:

1. Developing the business case for an EHS Program in a contingency environment:

- ✓ Regulatory Requirements (e.g., Iraq, Afghanistan, Kuwait, Oman, UAE)
 - ✓ Customer Requirements (e.g., US Departments of Defense and State)
 - ✓ Corporate Requirements
 - ✓ Risk Management Concerns
 - ✓ Employee Support and Participation
2. Evaluating the risk and EHS program needs
 - ✓ Recognizing the Culture and Specific Needs and Customs
 - ✓ Recognizing and Evaluating Unique Hazards
 - ✓ Developing and Implementing the Corrective Action Plan
 3. Integrating available resources to providing solutions and tools to develop the EHS Program
 - ✓ Corporate EHS and Risk Management
 - ✓ 3rd Party consultants (e.g., Aon Risk Solutions and Global Risk Consulting)
 1. Data Analysis
 2. Audits
 3. Program Development
 4. Training
 5. Industrial Hygiene Support
 4. Selling changes to senior leadership.
 5. Case Studies detailing specific key elements of how safety professionals implemented an EHS program at DOD installations in the Middle East

Operation Enduring Freedom

Operation Enduring Freedom is the official name used by the U.S. Government for the War in Afghanistan, together with three smaller military actions, under the umbrella of the Global War on Terror.

The operation was originally called "Operation Infinite Justice" (often misquoted as "Operation Ultimate Justice", but as similar phrases have been used by adherents of several religions as an exclusive description of God, it is believed to have been changed to avoid offense to Muslims. U.S. President George W. Bush's remark that "this crusade, this war on terrorism, is going to take a while", which prompted widespread criticism from the Islamic world, may also have contributed to the renaming of the operation. The Operation comprises several subordinate operations.

Operation Enduring Freedom - Afghanistan, which is a joint U.S., UK and Afghan operation, is separate from the International Security Assistance Force (ISAF), which is an operation of NATO nations including the USA and UK. The two operations run in parallel, and although it has been intended that they merge for some time, this has not yet happened.

The Threat

The U.S.-led Coalition initially removed the Taliban from power and seriously crippled al-Qaeda and associated militants in Afghanistan. However, since the 2001 invasion little success has been accomplished in quelling the Taliban insurgency in the southern parts of the country. Many believe the Taliban cannot be defeated as long as it has sanctuary in neighboring Pakistan and that

Operation Enduring Freedom has transformed into a continuing full fledged war with no end in sight.

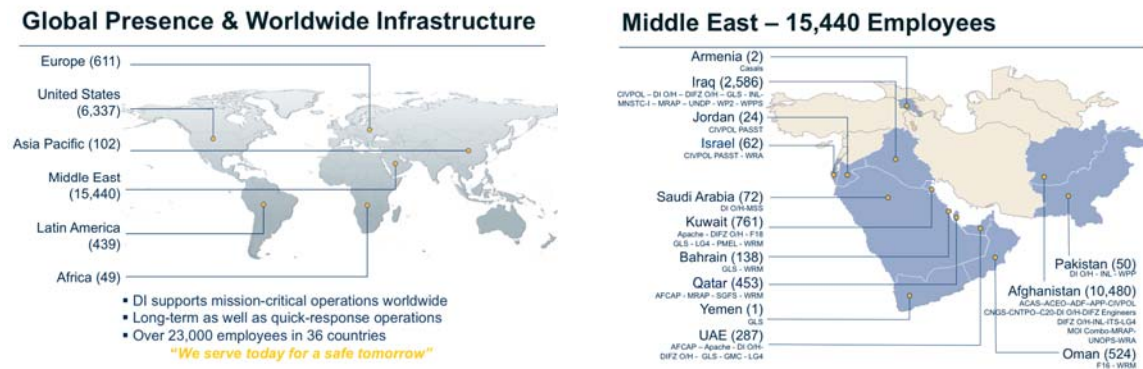
On October 9, 2004, Afghanistan elected Hamid Karzai President in its first direct elections. The following year, Afghans conducted the Afghan parliamentary election on September 18. Since the invasion, hundreds of schools and mosques have been constructed, millions of dollars in aid have been distributed, and the occurrence of violence has been greatly reduced.

While military forces interdict insurgents and assure security, Provincial reconstruction teams are tasked with infrastructure building, like constructing roads and bridges, assisting during floods, and providing food and water to refugees. Many warlords have participated in an allegiance program, recognizing the legitimacy of the Government of Afghanistan, and surrendering their soldiers and weapons, though some of their subsequent actions have led to serious questions about their true loyalties.

The newly activated Afghan National Army, Afghan National Police, and Afghan Border Police are being trained by DynCorp (e.g., CIVPOL) to assume the task of securing their nation. However, in early 2011 the Taliban still wields strong influence in many regions, and Karzai's government is believed to hold little real power outside the capital city of Kabul.

DynCorp International and Operation Enduring Freedom

DynCorp International is a global government services provider in support of U.S. national security and foreign policy objectives, delivering support solutions for defense, diplomacy, and international development. DynCorp International has over 30,000 employees in over 65 countries, including over 15,000 in the Middle East, and operates major programs in aviation, logistics, construction, platform support, contingency operations, and training and mentoring to reinforce security, community stability, and the rule of law. The DynCorp International headquarters is located in Falls Church, VA. Other major offices are located in Ft. Worth, TX and Dubai, UAE. Below is profile of DynCorp's global presence and the number of employees currently in the Middle East (as of Mar 2011) supporting Operation Enduring Freedom.



Integration of Third-Party Consultants

In support of the DynCorp EHS Program in Contingency Operations, DynCorp recognized that there were limits to the knowledge and experience of their in-house personnel in specific disciplines of Environmental Health and Safety and Risk Management. DynCorp turned their insurance broker, Aon, to provide assistance in identifying the appropriate resources available from 3rd party consultants and to provide technical support in the development of value-added solutions to DynCorp.

Selection Criteria

In order to identify the right person(s) to support DynCorp's efforts, it was critical to identify consultants with appropriate industry experience and technical expertise. The first step was to identify the needs of the project and then to match the appropriate consultants to meet the project requirements. Aon assisted DynCorp in evaluating the capabilities, relevant educational background, work experience and professional certifications of the potential consultants to select the appropriate consultants to support the project. When considering consultants for the team, the following key factors were evaluated to ensure that consultant resources would be utilized effectively:

- Subject Matter Experts
- Industry Experience
- Security Clearance
- Cost/ Availability

Subject Matter Experts/ Industry Experience: Based on the needs of the project, Aon was tasked with identifying 3rd party consultants from within Aon and/or the carrier who would best meet the needs of the project. Consultants were considered based on their respective expertise in the following fields:

- Auditors
- Industrial Hygienists
- Ergonomists
- Certified trainers
- Data Analysis
- Audit / Program Development
- Environmental

Industry Experience: For work at DynCorp operations which involve work on sites controlled by the Department of Defense and/or Department of State, it was critical to have consultants with experience in the defense, aerospace, and contingency operations. Consultant experiences were validated to ensure the experience was applicable to the need.

In addition to industry experience, consultants were also evaluated on the breadth of their experience. One determination was that DynCorp wanted consultants/auditors to provide an outside perspective on how to approach EHS and Risk Management issues. In so, SME's were validated based on how their approach to:

- identifying/ evaluating risks and hazards

- supporting the development of recommendations
- leveraging best practices learned from other industries/clients

Security Clearance/ Nationality: Working in contingency operations, a critical requirement was that the broker/carrier would provide consultants with appropriate clearances to work in those environments. Many of the larger brokers and carriers use their international footprint as a selling point to demonstrate their abilities worldwide or in local markets. However, many US government-owned or operated facilities, restrict or prohibit access for foreign nationals may be restricted or prohibited. The appropriate SME would then need to be a US citizen brought in from the USA or based overseas, affecting the time and cost of the services. Another consideration is certain insurance companies may prohibit their employees *and their 3rd party sub-contractors* from entering contingency environments due to the perceived hazard.

During our validation process, the carrier indicated their representatives could not enter active combat theatres. It was determined however that support facilities outside of active combat zones (i.e. Iraq – prohibited, Kuwait – approved) were acceptable. This knowledge was critical in planning where to utilize resources.

Cost/ Availability: An important aspect critical to using broker/carrier services is cost/funding. As with any vendor-type service, cost/funding must be determined prior to commencement of operations. It should be noted that resources available through insurance arrangements may not include access to personnel with the level of safety expertise required (Popp, 2000).

In determining the funding for this project, a project budget was determined based on the schedule of services to be provided by the broker and carrier. In this case, services were covered by the funds allocated from the premium (the fees paid to the insurance company for providing insurance), which was sufficient to cover the proposed budget.

When considering the use of third party vendors, the client should consider how the insurance company will fund or be compensated for services provided, such as:

- Allocation of insurance premium to risk control budget
- Fee for service (i.e. flat contract)
- Project Gain Share (i.e. contract fee based on performance)

Another consideration is the availability of the subject-matter experts. Consultants, especially those with multiple clients, often schedule jobs weeks or months in advance and may require significant pre-planning to meet the client needs. This situation is significant when working overseas in environments with limited access. Therefore, Aon and DynCorp spent considerable effort in the pre-planning phase to identify when and where consultants could and/or would be used.

Well-managed relationships with effectively selected consultants can add significant value to a company's overall safety effort. (Popp, 2000) The factors listed above are critical when selecting the appropriate 3rd party resources to support operations in a contingency environment.

Risk-Control Support Services

DynCorp worked extensively with their consultants in development of the EHS program for the contingency operations. Key areas where Aon and Chartis provided support were during the initial development phase, on-site auditing, and development of solutions.

Data Analysis: DynCorp's robust safety program is required to address both regulatory compliance and risk reduction as part of their responsibilities. Based on the needs of the particular DynCorp projects and mandated regulatory requirements, DynCorp recognized that additional assistance was required to augment its risk-reduction capabilities. Aon worked with their risk control personnel at DynCorp to develop a process to analyze casualty risks (workers compensation, general liability, and auto claims) and provide analyses of the prior 3 years of Workers' Compensation Loss History. The analysis focused on identifying:

- locations with claim profiles exhibiting high claim frequency/ severity (cost)
- locations with unfavorable loss trending.
- frequency and severity of injury causes
- post-injury lag time.

Aon further evaluated these factors in conjunction with OSHA 300 log information, knowledge of current operations, outstanding risk control issues. The outcome of the analysis was to prioritize a list of locations for further analysis to identify:

- gaps in corporate EHS and Risk Management Programs at corporate and site level
- best practices to leverage across DynCorp corporate operations
- potential solutions to mitigate risks/ hazards identified.

A factor to consider in Contingency Operations is that not all injuries are related to direct combat operations. Non-combat operations in these environments are similar to domestic aviation and equipment repair field. Manual material handling, Slip Trip Falls, and Struck-By Equipment Injuries were prevalent in these environments. Therefore, these claims generate losses similar to any domestic aviation/ vehicle maintenance operation. As such, many of the controls to prevent injuries or reduce the cost of injuries utilized in domestic/ non-contingency environments would also be effective.

Audit Support: Aon provided initial support to support the DynCorp request to develop a corporate-wide Risk Management/ Environmental, Health and Safety Audit process. The audit process was designed to develop a "best-in-class" audit to identify and quantify RM/EHS risks/ hazards at DynCorp operations and provide effective solutions to mitigate risk. Support services during the development and refinement of the audit/site evaluation process.

After the initial audit process was developed, Aon and DynCorp collaborated to select an audit team using the on the criteria listed above. Additional loss analysis specific to the individual operations was conducted prior to the survey of the location to identify specific areas for risk reduction or program improvement. Aon and carrier risk control representatives conducted surveys at over 6 DynCorp locations within the US to develop and field test the audit process and to identify gaps in the safety programs. As part of the audit process, gaps in the program were

identified which generated a report with recommendations identifying opportunities for risk improvement.

Examples of risk management promulgated from the audit support provided by the opportunities/findings identified included:

- As a result of the audit, DynCorp was able to address EHS related issues prior to a formal Air Force Audit. Correcting the deficiencies was a critical requirement of the contract with the DOD. Aon and the carrier were able to provide appropriate support with industrial hygiene. The value of Aon and carrier expertise and team support was reinforced DynCorp in obtaining a favorable result from the Air Force audit and approval to maintain the contract worth over \$10 million dollars.
- For another operation, the Aon identified gaps ergonomic injury prevention and post injury management programs. In addition, a best practice identified at one site regarding post-injury management resulted in a corporate-wide review of Return-to-work programs. Early closure of claims through a Return-to-Work program is anticipated to impact over \$1MM in loss drivers.
- Specific recommendations from the consultants were utilized in evaluating the updating of key industrial hygiene programs, notably Noise and Hexavalent Chromium. Consultants were further requested to provide comment on the program effectiveness as well as interpretation of industrial hygiene data.

Why You Should Attend

As a result of attending this session, you will be provided with the following learning objectives:

1. Proven techniques on overcoming challenges in a unique environment where typical loss-control services and strategies may not apply.
2. Strategies and processes for selecting and integrating third-party resources, including safety/ risk control consultants, in developing a comprehensive loss-control program.
3. Avoiding pitfalls and impediments when navigating in a contingency environment.
4. Clearance requirements for operating in a DOD environment.
5. Acquiring host-nation regulatory requirements.
6. How and where to recruit and select the ideal ExPat candidates.