



Highlights of [GAO-10-284](#), a report to congressional committees

DEFENSE ACQUISITIONS

Status of DOD's Implementation of Independent Management Reviews for Services Acquisitions

Why GAO Did This Study

The Department of Defense (DOD) is the federal government's largest purchaser of contractor-provided services, obligating more than \$207 billion on services contracts in fiscal year 2009. DOD contract management has been on GAO's high-risk list since 1992, in part because of continued weaknesses in DOD's management and oversight of contracts for services.

The National Defense Authorization Act for Fiscal Year 2008 directed DOD to issue guidance providing for independent management reviews for services acquisitions. The Act required that the guidance provide a means to evaluate specific contracting issues and to address other issues, including identifying procedures for tracking recommendations and disseminating lessons learned.

The Act also directed GAO to report on DOD's implementation of its guidance. GAO (1) assessed the extent to which DOD's guidance addressed the Act's requirements and how the guidance was implemented and (2) determined the status of actions taken by the military departments pursuant to DOD's guidance. GAO compared DOD's guidance with the Act's requirements; obtained data on the number of reviews conducted as of September 2009; and analyzed memoranda of 29 acquisitions valued at over \$1 billion.

In its written comments, DOD noted it planned to refine its processes to better share the lessons learned and best practices identified during peer reviews.

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What GAO Found

To meet the legislative requirement regarding independent management reviews, DOD issued guidance in September 2008 and February 2009 providing for a peer review process for services acquisitions. DOD's guidance generally addresses requirements in the Act to issue guidance designed to evaluate specified contracting issues, but according to officials, DOD has not yet determined how it plans to disseminate lessons learned or track recommendations that result from the newly instituted reviews. Under this guidance, the Office of Defense Procurement and Acquisition Policy (DPAP) is responsible for conducting pre- and post-award peer reviews for services acquisitions with an estimated value of over \$1 billion. Peer review teams include senior contracting officials from the military departments and defense agencies as well as legal advisors. As of September 30, 2009, DPAP had conducted 29 reviews of 18 services acquisitions, including 3 post-award reviews. DOD has also conducted peer reviews on two task orders but has not yet determined if it will do so on individual task orders in the future. The peer review teams made a number of recommendations and identified some best practices. DOD officials expect to refine their processes, including developing a more formal means for disseminating lessons learned and tracking recommendations, as DOD assesses its initial experiences with peer reviews.

Each of the military departments has issued guidance establishing peer review processes for services acquisitions valued at less than \$1 billion although the guidance is still evolving. The departments' guidance identifies the offices or commands tasked with conducting peer reviews based on various dollar thresholds. The military departments reported conducting hundreds of peer reviews for services acquisitions as of September 30, 2009, but could not provide exact numbers because of the lack of comprehensive reporting processes. Further, as peer review processes evolve, the military departments are considering ways to disseminate lessons learned and track recommendations.

Comparison of Peer Review Processes Established by DPAP and the Military Departments

Review cycle	Pre-award			Post-award		Threshold for review
	Issue solicitation	Request final proposal	Award contract	End contract or exercise option		
DPAP	▲	▲	▲	▲		Over \$1 billion
Air Force	▲	▲	▲	▲		Under \$1 billion
Army	▲		▲			
Navy	▲	▲	▲	▲		

▲ Indicates when a review is to occur

Source: GAO analysis of DOD guidance.