Highlights of GAO-13-103, a report to Committee on Armed Services, U.S. Senate

December 2012

WEAPONS ACQUISITION REFORM

Reform Act Is Helping DOD Acquisition Programs Reduce Risk, but Implementation Challenges Remain

Why GAO Did This Study

For the past 3 years, DOD has been implementing the Reform Act requirements which are aimed at helping weapon acquisition programs establish a solid foundation from the start. This helps to prevent cost growth, thus helping the Defense dollar go further. This is the third in a series of GAO reports on the Reform Act.

GAO was asked to determine (1) DOD's progress in implementing Reform Act provisions; (2) the impact the Reform Act has had on specific acquisition programs; and (3) challenges remaining. To do this, GAO analyzed documents and interviewed officials from the four OSD offices created as a result of the Reform Act, other DOD offices, the military services, and 11 weapon acquisition programs we chose as case studies. Case study programs were selected based on their development status and interaction with the four OSD offices. Results cannot be generalized to all DOD weapon acquisition programs.

What GAO Recommends

GAO recommends DOD develop additional cost estimating and Reform Act implementation guidance; make lessons learned available to the acquisition community; and assess the adequacy of the military services' systems engineering and developmental testing workforce. DOD generally concurred with the recommendations. GAO clarified one recommendation to make it clear that DOD needs to designate an office(s) within the Acquisition, Technology and Logistics organization to provide practical Reform Act implementation quidance to program offices.

View GAO-13-103. For more information, contact Michael J. Sullivan at (202) 512-4841 or sullivanm@gao.gov.

What GAO Found

The Department of Defense (DOD) has taken steps to implement fundamental Weapon Systems Acquisition Reform Act of 2009 (Reform Act) provisions, including those for approving acquisition strategies and better monitoring weapon acquisition programs. DOD is also continuing to take additional steps to strengthen policies and capabilities. Some provisions, such as issuing guidance for estimating operating and support costs, are being implemented.

GAO's analysis of 11 weapon acquisition programs showed the Reform Act has reinforced early attention to requirements, cost and schedule estimates, testing, and reliability. For example, prior to starting development, an independent review team raised concerns about the Ground Combat Vehicle program's many requirements and the risks associated with its 7-year schedule. Subsequently, the Army reduced the number of requirements by about 25 percent and prioritized them, giving contractors more flexibility in designing solutions. In addition, the developmental test and evaluation office—resulting from the Reform Act—used test results to help the Joint Light Tactical Vehicle program develop a more realistic reliability goal and a better approach to reach it. Shown below are areas where the Reform Act influenced several programs in GAO's review.

Program	Requirements	Cost and schedule	Testing	Reliability
Ohio Class Replacement	✓	√	✓	✓
Ground Combat Vehicle	✓	✓	✓	✓
Joint Light Tactical Vehicle	✓	✓	✓	✓
Ship to Shore Connector			✓	✓
KC-46 Tanker			✓	✓

Source: GAO analysis of DOD data.

While DOD has taken steps to implement most of the fundamental Reform Act provisions, some key efforts to date have been primarily focused on DOD's largest weapon acquisition programs. DOD faces five challenges—organizational capability constraints, the need for additional guidance on cost estimating and Reform Act implementation, the uncertainty about the sufficiency of systems engineering and developmental testing resources, limited dissemination of lessons learned, and cultural barriers between the Office of the Secretary of Defense (OSD) and the military services—that limit its ability to broaden the Reform Act's influence to more programs. Service officials believe additional guidance is needed to improve their cost estimates and other implementation efforts. They also believe that lessons learned from programs that experience significant cost and schedule increases should be shared more broadly within the acquisition community. These challenges seem straightforward to address, but they may require more resources, which have been difficult to obtain. Ensuring the services have key leaders and staff dedicated to systems engineering and developmental testing activities, such as chief engineers at the service level and technical leads on programs, as well as breaking down cultural barriers are more difficult to address. They will require continued monitoring and attention by the Under Secretary for Acquisition, Technology and Logistics, service acquisition executives, and offices established as a result of the Reform Act to address.

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