



July 2018

# DEFENSE CONTRACTS

## DOD Should Develop a Strategy for Assessing Contract Award Time Frames

Accessible Version

# GAO Highlights

Highlights of [GAO-18-467](#), a report to congressional requesters

## Why GAO Did This Study

DOD's contracting process is designed to protect taxpayers' interests, among other things, and can take time. DOD leadership and contractors have expressed concern about the length of time to award contracts and DOD has proposed reducing that time.

GAO was asked to evaluate the length of time to award weapon systems contracts. This report examines (1) DOD's efforts to determine the time it takes to award contracts; (2) data on the time interval from solicitation to contract award for selected contracts; and (3) factors identified as contributing to contract award time frames.

GAO used the Federal Procurement Data System-Next Generation to identify new weapon systems-related contracts awarded in fiscal years 2014 through 2016, valued over \$5 million, among other factors. GAO selected a nongeneralizable sample of 129 contracts at four DOD components with the highest total dollar value and highest number of contracts from those fiscal years for further analysis. GAO analyzed contract documentation and surveyed contracting officials on a subset of contracts to determine the factors affecting the time between solicitation issuance and award.

## What GAO Recommends

GAO recommends that DOD develop a strategy that identifies the information it needs to collect and how it will use the information to assess contract award time frames. DOD concurred.

View [GAO-18-467](#). For more information, contact William T. Woods at (202) 512-4841 or [woodsw@gao.gov](mailto:woodsw@gao.gov).

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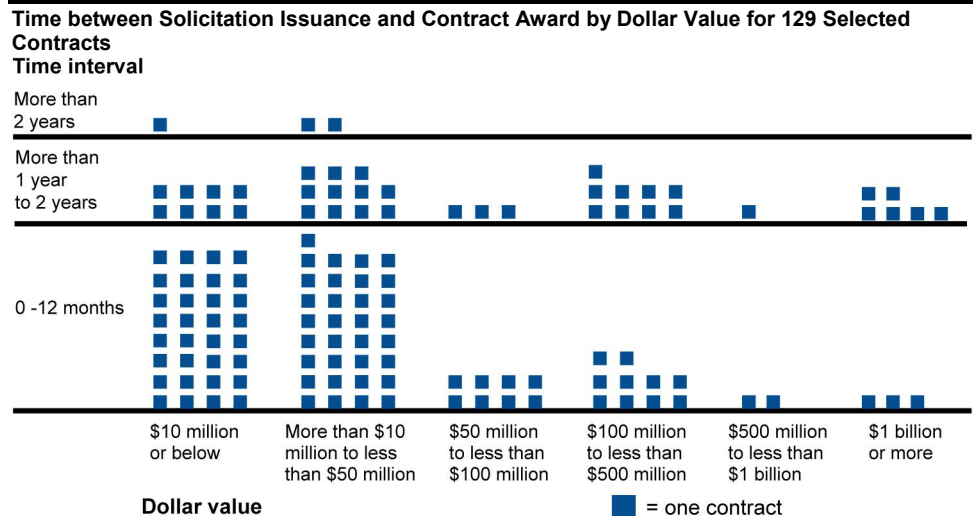
## DEFENSE CONTRACTS

### DOD Should Develop a Strategy for Assessing Contract Award Time Frames

## What GAO Found

Although the Department of Defense (DOD) has proposed reducing the time it takes to award contracts related to weapon systems, the department has a limited understanding of how long it currently takes and therefore lacks a baseline to measure success. The DOD components GAO reviewed—Air Force, Army, Defense Logistics Agency, and Navy—collect data on their time frames for awarding contracts. However, they do so in different ways in the absence of a DOD-wide strategy for what information should be collected. For example, the Air Force measures the time to award beginning with solicitation issuance, while the other components use a different starting point. As a result, information the components collect is not comparable and is of limited use for understanding contract award time frames department-wide. Determining what information is needed to monitor time taken to award contracts consistently across components should help DOD assess its progress toward reducing the time.

GAO analyzed the time from solicitation issuance to award for 129 weapon systems-related contracts and found it ranged from less than a month to over 4 years. Although some DOD and industry officials stated that contract value could affect contract award time frames, GAO observed a wide range of time intervals and did not observe any patterns based on this characteristic. (See figure below.)



Source: GAO analysis of Federal Procurement Data System-Next Generation and Department of Defense contract data. | GAO-18-467

According to DOD contracting officials GAO surveyed, factors that can help reduce—or, alternatively lengthen—the time between when a solicitation is issued to when a contract is awarded include a decision to make the contract award an office priority and how quickly contractors respond to requests for additional information after initial proposals are received.

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**Abbreviations**

DOD	Department of Defense
FAR	Federal Acquisition Regulation
FPDS-NG	Federal Procurement Data System-Next Generation

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July 16, 2018

### Congressional Requesters

The Department of Defense (DOD) uses contracts to procure many different types of supplies and services—including weapon systems. Because DOD spends billions of dollars annually to support the warfighter’s missions, having an efficient contract award process is critical. DOD leadership, as well as contractors, has expressed concern about the length of time it takes to award contracts, and Congress has directed DOD to take steps to define and report on these times. DOD leadership has also proposed reducing that time.

You asked us to review the time frames involved in awarding weapon systems-related contracts. This report examines (1) DOD’s efforts to determine the time it takes to award weapon systems contracts; (2) what available data show regarding the time between solicitation issuance and award for selected weapon systems-related contracts; and (3) factors identified as contributing to contract award time frames. For the purposes of our review, we considered the time it takes to award contracts as the time from solicitation issuance through contract award.

To examine DOD’s efforts to determine the time it takes to award contracts, we selected four DOD components (Air Force, Army, Defense Logistics Agency, and Navy) based on the highest total number of contracts awarded and highest total contract value. We analyzed DOD and component-level guidance, policies, memorandums, and studies on the contract award process. We interviewed acquisition officials at DOD and the selected components regarding data related to the time to award contracts, such as quarterly or monthly management briefings.

To examine what available data show regarding the time between solicitation issuance and award, we used the Federal Procurement Data System-Next Generation (FPDS-NG) to identify newly awarded DOD weapon systems-related contracts from fiscal years 2014 through 2016,

with a contract value of \$5 million or more, among other factors.<sup>1</sup> From the selected components, we selected contracts from the largest commands (Air Force Materiel Command, the Army Contracting Command, Defense Logistics Agency-Aviation, the Naval Air Systems Command, and the Naval Sea Systems Command) based on the highest total number and highest total value of the contracts awarded.<sup>2</sup> We identified a nongeneralizable selection of 129 new contracts awarded at these five commands. We verified the contract data in the contract documentation based on value, extent competed, and contract type, and compared the data reported in FPDS-NG. We determined that the FPDS-NG data were sufficiently reliable for identifying and analyzing the nongeneralizable sample of contracts.

To identify factors that affected the time it took DOD commands to award weapon systems-related contracts, we randomly selected a nongeneralizable sample of 60 contracts, which is a sub-set of the 129 selected contracts, for a more in-depth web-based survey of contracting officials, such as contracting officers or contracting specialists. Our analysis is based on 37 eligible responses from the 60 contracts we surveyed. We then selected 7 of the 37 surveyed contracts as case studies to assess how the various factors affected the contract award time frames. For the 7 case studies, we reviewed contract documentation and conducted interviews with available contracting officials, program office officials, and contractor representatives. For additional information on our scope and methodology, see appendix I.

We conducted this performance audit from January 2017 to July 2018 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that

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<sup>1</sup>We took several steps to identify weapon systems-related contracts. First, we selected contracts for major defense acquisition program designated by DOD and identified the supplies or service codes associated with those contracts. Second, using those codes, we identified other contracts with similar codes in FPDS-NG. Third, we further narrowed our selection using the DOD acquisition program field to identify contracts that support weapon systems. We also excluded contracts that were awarded under specific circumstances that would affect the time taken to award contracts, such as undefinitized contract actions and contracts that contained foreign military sales or funding.

<sup>2</sup>For the purposes of our report, we refer to the Defense Logistics Agency-Aviation as a command.

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the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

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## Background

DOD's contracting process—governed by laws and regulations—seeks to promote competition, be transparent in conducting business and ultimately satisfy DOD users in terms of cost, quality, and timeliness to protect taxpayers' interests. DOD's acquisition process begins at the point when agency needs are established; it includes requirements development and acquisition planning, a process for awarding contracts, and contract administration. While we recognize that requirements development and acquisition planning can affect the time it takes to award a contract, this review focuses on the time from solicitation issuance to contract award. An overview of competition in contracting, contract phases, and DOD initiatives follows.

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## Competition

Federal statutes and the Federal Acquisition Regulation (FAR) generally require that federal agencies award contracts through full and open competition, but recognize that such competition is not always feasible or desirable, and authorize the use of other than full and open competition under certain conditions. The exceptions include:

- only one responsible source exists and no other supplies or services will satisfy agency requirements;
- unusual and compelling urgency exists; or
- when authorized or required by statute (for example, statutorily allowed sole-source awards to small businesses).

Even when using other than full and open competition, agencies must solicit offers from as many potential sources as is practicable. Generally, contracts awarded using other than full and open competition must be supported by written justifications and approvals that contain sufficient facts and rationale to justify the use of the specific exception to full and open competition. The approval level for these types of contracts varies according to the dollar value of the procurement.



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## Contract Phases We Identified

The acquisition planning phase includes pre-solicitation activities such as market research and defining requirements, among others. We identified four contract phases subsequent to acquisition planning: solicitation, initial evaluation, discussion/negotiation, and contract award.<sup>3</sup> See figure 1.

**Figure 1: Four Phases of Contracting by Negotiation We Identified from Solicitation Issuance through Contract Award**



Source: GAO analysis of federal regulations and agency guidance. | GAO-18-467

- **Solicitation:** Agencies solicit offers from prospective contractors by issuing a request for proposals. The request for proposals informs the prospective contractors of the government’s requirements, the anticipated terms and conditions that will apply to the contract, the information required in a proposal and, in a competitive acquisition, the factors used to evaluate proposals and their relative importance. Those who wish to respond must submit their proposal to the government office in the time and manner stated in the request for proposals. We consider the solicitation phase to begin with solicitation issuance and end at the deadline to submit the initial proposals.
- **Initial Evaluation:** Proposal evaluation is an assessment of the proposals and the offerors’ ability to perform the prospective contract successfully. For example, proposals undergo technical evaluation to determine offerors’ ability to meet the technical requirements and cost or price evaluation to determine whether the price is fair and reasonable. Agencies also evaluate proposals when using other than

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<sup>3</sup>We identified these four phases based on regulations pertaining to contracting by negotiation. These phases will not represent all contracting procedures.

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full and open competition as part of agency preparation for negotiation with the offerors. We consider the evaluation phase to begin when contractors submit initial proposals and to end once government contracting personnel receive approval to enter into negotiations or discussions.

- **Discussion/Negotiation:** Negotiations are exchanges, in either a competitive or sole-source environment, between the government and offerors that are undertaken with the intent of allowing the offerors to revise the proposals. Negotiations allow the offerors to address any concerns with the proposals or provide additional information on relevant past performance, among other things. We consider this phase to start when the contracting officer receives approval to enter into negotiations and end when contracting personnel receive approval to award the contract.
- **Contract Award:** We consider the contract award phase to start when the approval to award the contract is given and end when the contracting officer signs the contract.

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## DOD Initiatives: Source Selection Procedures and Peer Reviews

The following DOD initiatives identify certain tasks that contracting officials should address between solicitation issuance and contract award:

- **Source Selection Procedures:** DOD updated its source selection procedures in April 2016 to help standardize the process to deliver products at the best value.<sup>4</sup> These procedures outline a common set of principles and procedures for conducting acquisitions in accordance with applicable statutes and regulations. Unless waived, the source selection procedures apply to all acquisitions conducted as

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<sup>4</sup>In competitive negotiated procurements, agencies seek the best value based on their specific requirements using a source selection process. To determine best value, agencies evaluate proposals using one or a combination of approaches that includes a tradeoff or lowest price technically acceptable source selection process. When using the lowest price technically acceptable process the contract award is made to the offeror with the lowest evaluated priced, technically acceptable offer. The tradeoff method is used when it is in the government's best interest to consider award to other than lowest priced offeror, or to other than the offeror given the highest ratings for technical, management, past performance, or other non-cost/price factors.

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part of a major system acquisition and all competitively negotiated acquisitions with an estimated value of more than \$10 million.<sup>5</sup>

- **Peer Reviews:** The Office of Defense Procurement and Acquisition Policy is responsible for all pricing, contracting, and procurement policy matters within DOD and has required peer reviews of certain DOD acquisitions since 2009. The office currently conducts peer reviews for all procurements with an estimated value of over \$1 billion and for noncompetitive procurements for new contract actions valued at \$500 million or more. The office generally conducts peer reviews prior to issuance of the solicitation, prior to request for final proposal revisions, and prior to contract award, as well as periodic post-award reviews. Peer review teams include contracting officials from the military departments and defense agencies as well as legal advisors. For acquisitions below \$1 billion, the military components must establish their own policies for conducting reviews based on expected acquisition value and the extent of competition.

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## DOD Components Have Taken Steps to Track the Time Frames for Awarding Contracts, but DOD Does Not Have a Strategy for Assessing the Information

DOD components in our review have efforts underway to track and reduce the time to award contracts, but these efforts are not coordinated across the department. The DOD components collect information on the time to award contracts, but differ on what information they collect and how they use it. DOD is taking a number of actions to understand the information the components collect such as determining what events are tracked, but DOD does not have a department-wide strategy for collecting

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<sup>5</sup>According to DOD's Source Selection Procedures, for solicitations valued at \$1 billion or more, waivers to provisions required by this document may only be approved with the express, written permission of the Director, Defense Procurement and Acquisition Policy. Waivers for solicitations valued below \$1 billion must be approved by the Senior Procurement Executive. The Senior Procurement Executive may set lower internal dollar thresholds for use of these procedures as appropriate. Additionally, major system acquisitions are defined as occurring when DOD is responsible for the system and the total expenditures for research, development, test, and evaluation for the system are estimated to be more than \$185 million based on Fiscal Year 2014 constant dollars or the eventual total expenditure for the acquisition exceeds \$835 million based on Fiscal Year 2014 constant dollars.

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and assessing the components' information. DOD has proposed reducing how long it takes to award contracts.

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### DOD Components Collect Varying Levels of Information about the Time Frames for Awarding Contracts

Each component we reviewed collected information on the length of time to award certain contracts, but the information varied. The differences include: (1) the types of contract actions tracked; (2) the start of the period measured; (3) whether components track interim dates between solicitation issuance and award; and (4) how goals to reduce the length of time are determined. For example, the Air Force limits its scope to discrete contract value ranges while the other components include broader dollar ranges. The components also use different starting points to measure the time frames. For example, the Army Contracting Command currently tracks time starting from the submission of an adequate requirements package to contracting officials, which occurs before solicitation issuance. The Air Force, however, tracks how long it takes to award a contract starting from solicitation issuance. The selected components in our review also differ in collecting data for interim phases of the contract award process—such as evaluation or negotiation. Both Navy commands capture multiple data points, such as when negotiations begin, among other events, but there is no common practice for including certain data across the commands that is provided to DOD. Table 1 shows the broad categories of information collected.

**Table 1: Information Collected by Selected DOD Components on Time Frames for Awarding Contracts**

DOD component	Types of contract actions tracked	Time period tracked	Captures interim dates between solicitation issuance and award	How the goals to reduce length of time are determined
Air Force	Sole-source: \$50 million-500 million Competitive: \$50 million-\$1 billion	Solicitation to award	Yes	Based on prior fiscal year average
Army	All contracts	Pre-solicitation to award <sup>a</sup>	No <sup>b</sup>	Based on average of historical data
Defense Logistics Agency	All contracts	Pre-solicitation to award	No	Based on prior fiscal year historical data
<b>Navy</b>				
Naval Air Systems Command	All contracts	Pre-solicitation to award	Yes	Based on variance between planned and actual dates
Naval Sea Systems Command	Contracts more than \$750,000	Pre-solicitation to award	Yes	Based on variance between planned and actual dates

Source: GAO analysis of Department of Defense (DOD) data. | GAO-18-467

<sup>a</sup>Pre-solicitation includes activities prior to solicitation issuance, such as when the contracting office receives a requirement package or a purchase request.

<sup>b</sup>According to Army officials, the Army has a contracting system capable of collecting interim dates. On June 20, 2018, the Army issued a memorandum requiring contracting activities to use the system.

**Air Force**

Concerns within the Air Force about the length of time taken to award contracts led to a process, begun in 2014, for tracking award times for sole-source contracts, including identifying practices and procedures that contributed to the time, according to Air Force contracting officials. The officials stated that this effort helped to reduce the average time to award sole-source contracts between \$50 million and \$500 million from about 16 months in fiscal year 2014 to about 12 months in fiscal year 2017. Air Force officials attributed the reductions in time to various streamlining initiatives, such as asking for contractors’ feedback on draft solicitations and clarifying as needed.

- Beginning with new contracts awarded in fiscal year 2014, the Air Force collected information on sole-source contracts between \$50 million and \$500 million. In early fiscal year 2018, the Air Force expanded its data collection to include competitive contracts from \$50 million to \$1 billion.

- The Air Force tracks the time starting from solicitation issuance to contract award. It also tracks interim phases of contract awards such as the start of evaluation or negotiation.
- According to Air Force officials, they establish fiscal year goals to measure progress based on the average of schedule dates.
- The data for both the sole-source contracts and now the competitive contracts are collected through a manual data call and are entered into a spreadsheet. The data are reported to the Office of the Assistant Secretary of the Air Force for Acquisition.

### Army

In November 2017, the Deputy Assistant Secretary of the Army (Procurement) called for the formation of an Army-wide team to examine approaches for improving procurement time frames similar to one already underway at the Army Contracting Command. The command began tracking the lengths of time to award contracts in 2015, and expanded the effort across the command in January 2017. The Army Contracting Command:

- Tracks all procurements based on dollar thresholds, dividing the contracts by competitive and non-competitive actions.
- Tracks the time from the receipt of the requirements package to contract award. The process does not capture interim phases of contract award such as the start of evaluation or negotiation.
- Establishes goals by averaging historical data. For instance, a competitively awarded contract between \$50 million and \$250 million is estimated to take 600 days. Army officials stated that they track actual performance against their goals on a quarterly basis.
- Collects data through its Virtual Contracting Enterprise system, which includes electronic contract files that can be used to obtain contract data such as solicitation issuance date. The command computes averages by aggregating the data by dollar threshold, contracting organization, and portfolios—such as weapon systems or services contracts.

### Defense Logistics Agency

In November 2014, the Defense Logistics Agency examined awards from 2011 to 2013 to determine areas to focus on to make the contract award process more efficient. Defense Logistics Agency contracting officials

stated that they have reduced the award time since they began their assessment by streamlining their procedures. The agency:

- Collects contract data for all of its procurements.
- Measures the time period from receipt of purchase requirement package to contract award, but not the phases in between solicitation and contract award—such as evaluation or negotiation.
- Establishes a goal based on historical averages for the various contract types, such as long-term contracts or delivery orders, in order to aggregate contracts with similar characteristics. The agency varies the goals according to the kind of contract, such as those using simplified acquisition procedures or larger value contracts. For example, the Aviation command's goal is to award contracts that require certified cost or pricing data with a period of performance that exceeds 3 years within 315 days for fiscal year 2018. For those contracts that do not require certified cost or pricing data, the goal is 215 days.
- Collects contract data using its contract management systems, continues to assess whether it is meeting timeliness goals on a monthly basis, and revises goals each fiscal year to reflect changes in trends and volume of contract actions.

### Navy

Starting in May 2015, the Navy contracting commands presented data quarterly on execution of contracts and areas for improvement within the contract award process to the Office of the Assistant Secretary of the Navy, (Research, Development, and Acquisition) in response to concerns about the length of time for contract awards. The Navy commands we selected have made efforts to identify bottlenecks within the contract award process. For example, their analysis of the data highlighted the timeliness and quality of the procurement request as a common issue among the Navy contracting commands as well as the justification and approval cycle for sole-source awards. The analyses also included areas for improvement during the process, such as improving guidance and training for technical evaluation teams and exploring opportunities to streamline or waive some peer reviews.

- Naval Air Systems Command piloted the Procurement Management Tool in fiscal year 2013. The Procurement Management Tool is an electronic system to collect information on contracts, which allows

contracting officials to forecast and manage procurement time frames. The system:

- Maintains data from all of the Naval Air Systems Command's contracts, starting from acquisition planning (pre-solicitation efforts), in addition to various interim dates such as proposal receipt. The tool allows contracting officials to compare planned, revised, and actual dates.
- Tracks the overall length of time to award contracts. Navy contracting officials said they use the planned dates as the baseline to compare to the actual dates to determine the variance. Their goal is to reduce the variance between the dates.
- Uses data from the Command's contract writing systems, but updates are done manually. Data are made available to Naval Air Systems Command officials and provide them a high-level view of the cost and cycle time drivers that may be selected for further investigation. Reports can be generated at any time, on an as-needed basis.
- Naval Sea Systems Command, starting in 2005, conducted analyses on the contract award phases that were used to identify problem areas that added time beyond what was anticipated. The analyses also capture data from entities outside of the contracting office, such as program offices. Naval Sea Systems Command has used the analyses to implement streamlining initiatives as well as establish performance measures to assess progress on a quarterly basis. A Naval Sea Systems Command official told us that the command has reduced the average length of time to award contracts above \$750,000. Specifically, for competitive contracts, the average was reduced from 467 days to 387 days (about 18 percent), and for sole-source contracts the average was reduced from 336 to days to 278 days (about 18 percent) from fiscal year 2013 through fiscal year 2017.
- The Naval Sea Systems Command tracks its contracts valued at \$750,000 or greater using an electronic data base—E-milestone—to collect contract information. The data base collects information starting from pre-solicitation efforts, which includes the purchase request to contract award. The system includes interim dates within the contract award process, such as the beginning of evaluation.
- Contracting officials are responsible for capturing both planned and actual dates in the system. Analysis of the variation between



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the planned and actual dates can be used to identify areas where difficulties occur.

- Command officials stated that their goal is to reduce the variance between the planned and actual dates. The system reports performance metrics monthly to program executive offices as well as to higher offices. The metrics the command collects reveal acquisition process bottlenecks and facilitate corrective action and acquisition streamlining.

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### DOD Has Proposed Reducing the Length of Time to Award Contracts but Does Not Yet Have a Strategy for Assessing the Information Components Collect

According to Defense Procurement and Acquisition Policy officials, DOD is taking steps to address its concerns about the time to issue sole-source contract awards for major weapon systems. DOD has proposed reducing this time by 50 percent over a 3-year period, as measured from the receipt of the requirements to contract award.<sup>6</sup> DOD officials also plan to expand this effort to include competitively awarded contracts.

While DOD has proposed reducing the length of time to award contracts by as much as 50 percent, according to DOD officials, it does not have a department-wide strategy for the information components are to collect and report because it has not defined what is to be measured. Internal control standards for the federal government state that management should use relevant information to make informed decisions and evaluate an agency's performance in achieving key objectives and establish a baseline as a measure to assess progress in achieving its goals.<sup>7</sup>

As discussed above, DOD components have made some efforts to collect information to understand the length of time to award contracts for their own management purposes. Since the components differ on when they start measuring the time to award contracts and whether they collect data on interim dates between solicitation issuance and contract award, it is difficult for DOD to ensure that the data from the various components are

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<sup>6</sup>According to DOD policy officials, receipt of the requirement is considered receipt of a procurement request that can be acted on by the contracting officer.

<sup>7</sup>GAO, *Standards for Internal Control in the Federal Government*, [GAO-14-704G](#) (Washington, D.C.: September 2014).

comparable and comprehensive. This issue was highlighted in the National Defense Authorization Act for Fiscal Year 2018, which contained a provision for DOD to develop a definition of “procurement administrative lead time” to be used throughout the department and a plan for measuring and publicly reporting data on procurement administrative lead time.<sup>8</sup> DOD proposed a definition for the procurement administrative lead time as the time between the date on which DOD issues the initial solicitation for a contract or task order and the date of the award in a February 2018 notice in the Federal Register. The proposed definition applies to DOD contracts and task orders above the Simplified Acquisition Threshold.<sup>9</sup> In addition to issuing the Federal Register notice, Defense Procurement and Acquisition Policy officials have started working with the military components (Army, Navy, and Air Force) to understand the information they have on the time frames for awarding contracts. Further, DOD officials stated that they are starting to identify events common across the components, relative to contract award time frames. According to DOD officials, DOD plans to include pre-solicitation events and some interim events between solicitation issuance and contract award in its DOD-wide data collection efforts. Because DOD’s efforts are in the early stages, they have not established which specific events to measure and how they will use the information collected. Without a strategy for data collection and assessment, DOD will be limited in its ability to assess progress toward achieving its proposed goal and addressing challenges across components.

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## Most of the Selected Weapon Systems-Related Contracts Were Awarded within a Year

Our review of a nongeneralizable selection of 129 weapon systems-related contracts had a wide range of time intervals from solicitation issuance to award. The time intervals from solicitation to award ranged from less than a month to more than 4 years, with a median of about 9 months. Based on our analysis, 88 of the 129 contracts were awarded less than a year from the solicitation issuance date, while 38 were awarded between 1 and 2 years. The remaining 3 selected contracts took more than 2 years to award. We analyzed the time taken to award

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<sup>8</sup>Pub. L. No. 115-91 §886.

<sup>9</sup>The Simplified Acquisition Threshold is a dollar threshold for use of simplified acquisition procedures. Currently, for DOD the threshold is generally \$250,000.

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contracts based on three characteristics identified by some DOD officials and contractor representatives that may affect the time taken to award contracts: contract value, extent competed, and contract type. We did not observe any patterns based on these characteristics. The results of our analysis are as follows.

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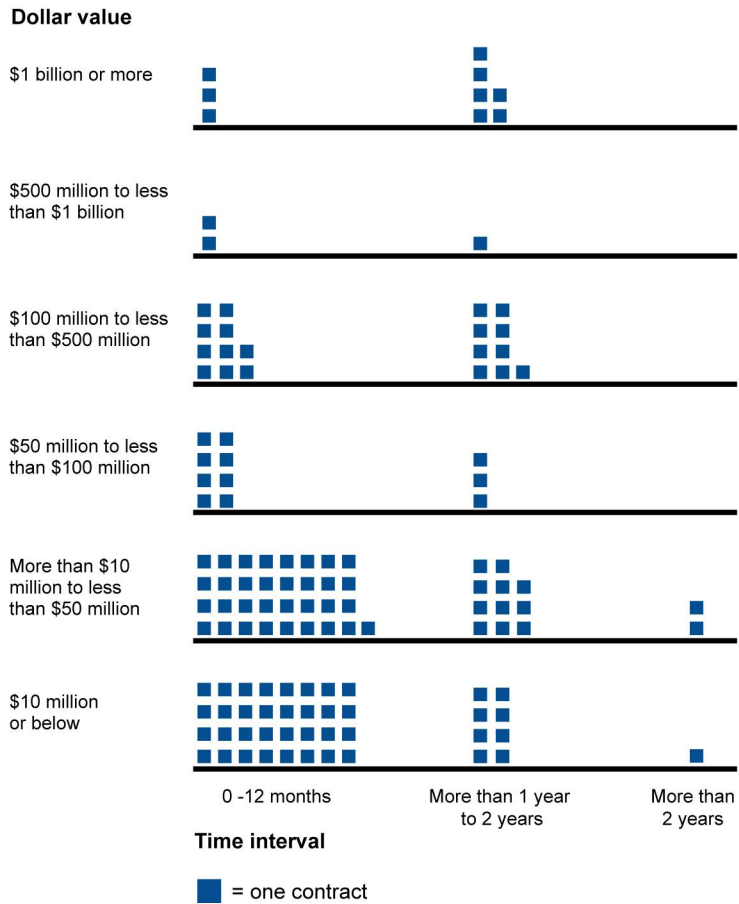
### Contract Value

We found a wide range of time intervals for the 129 contract awards we reviewed, which ranged from about \$5 million to over \$12 billion. We observed that both shortest and the longest time intervals from solicitation to contract award were for contracts valued under \$50 million. One of the two contracts that were awarded within 20 days had a contract value of about \$7 million for commercial software services.<sup>10</sup> Figure 2 summarizes information on the time interval based on contract value.

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<sup>10</sup>The other contract that was awarded within 20 days had a contract value of about \$280 million.

**Figure 2: Time Interval between Solicitation and Contract Award by Contract Value for 129 Weapon Systems-Related Contracts from Fiscal Years 2014 - 2016**



Source: GAO analysis of Federal Procurement Data System-Next Generation and Department of Defense contract data. | GAO-18-467

## Extent Competed

DOD contracting officials and industry representatives we interviewed stated that contracts awarded using full and open competition could have a longer time interval than contracts awarded using other than full and open competition due to the need to evaluate proposals from multiple offerors. Twenty-seven of the 129 contracts in our review used full and open competition, and the remaining 102 contracts used other than full

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and open competition.<sup>11</sup> Based on our analysis, roughly two-thirds of the selected contracts in either group took less than 1 year to award.

Specifically:

- Eighteen of the 27 selected contracts awarded using full and open competition were awarded within a year of solicitation issuance, and the remaining 9 were awarded between 1 and 2 years.
- Seventy of the 102 selected contracts awarded using other than full and open competition were awarded within a year and 29 of the 102 were awarded between 1 and 2 years.<sup>12</sup>

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## Contract Type

DOD contracting officials and industry representatives we interviewed asserted that firm-fixed-priced contracts would generally take a shorter amount of time to award. For example, Navy contracting officials told us that other than firm-fixed-priced contracts—such as contracts with award or incentive fees—could take longer to award because the government would need to negotiate the fee structure with the contractor. We found a wide range of time intervals based on contract type. Roughly two-thirds of the 129 selected contracts were awarded in less than 1 year regardless of contract type. Specifically:

- Thirty-eight of the 53 firm-fixed-price contracts were awarded within a year of when the solicitation was issued and 50 of the 76 other contracts were awarded within a year of solicitation issuance.

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<sup>11</sup>The term extent competed refers to whether the contract was awarded using full and open competition, full and open competition after exclusion of sources, or other than full and open competition. For the purposes of our report, full and open competition after exclusion of sources is considered to be full and open competition. The FAR defines several types of competition: full and open competition, full and open competition after exclusion of sources, and other than full and open competition. Agencies can competitively award contracts after limiting the pool of available contractors—a process called full and open competition after exclusion of sources. An example of this is when agencies set aside procurements for small businesses.

<sup>12</sup>The remaining 3 of the 102 selected contracts awarded using other than full and open competition were awarded after 2 years of solicitation issuance.

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## Survey Respondents Identified Several Factors Affecting the Time Frame for Awarding Contracts

The results of our survey of contracting officials for 37 contracts showed that contracting officials cited a number of factors—such as the quality of the proposal—that helped reduce or increase the time to award the selected contracts. They did not identify any one factor that consistently affected the time to award. Officials for more than half of the contracts reported needing more time to award the contracts than they initially anticipated.

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## Survey Respondents Reported that Most of the Contracts Took Longer than Anticipated to Award and Identified Various Factors That Affected Overall Length of Time to Award Contracts

DOD contracting officials we surveyed for 23 of 37 contracts reported needing more time to award their contract than anticipated at the time they issued their solicitation.<sup>13</sup> Table 2 summarizes how respondents in our survey characterized differences between the anticipated contract award date and the actual date.

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**Table 2: Survey Responses Comparing Actual Contract Award Date to Anticipated Award Date at Solicitation Issuance**

<b>Awarded sooner than anticipated</b>	<b>Awarded as anticipated</b>	<b>Awarded later than anticipated</b>	<b>No basis to comment</b>	<b>Total contracts</b>
9	4	23	1	37

Source: GAO analysis of reported survey responses. | GAO-18-467

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<sup>13</sup>This survey was distributed to contracting officials for a nongeneralizable sample of 60 contracts. From the 60 contracts, we excluded 18 that did not meet our criteria based on the responses from the contracting officials. These included contracts that were not newly awarded, used sealed bid procedures, or contained foreign funding or foreign military sales. Of the 42 remaining contracts, we analyzed responses from contracting officials for 37 contracts. In addition, denominators vary across survey results, since not everyone surveyed was required to answer every question. For more information on the survey methodology, see appendix II.

DOD contracting officials cited the decision to make the award an office priority and contractor responsiveness as factors helping to decrease the overall time.<sup>14</sup> In addition, contracting officials for four contracts awarded using full and open competition cited receiving waivers or deviations from relevant federal and service-level acquisition regulations as a factor that reduced the time.<sup>15</sup> In case study interviews, contracting officials for two of these four contracts added that peer review waivers and delegation of the decision authority level to a lower level helped decrease the overall time. According to these contracting officials, they received these waivers because the procurements were considered low risk since the requirements that the offerors needed to meet were straightforward. DOD policy officials said peer review waivers are infrequently requested and granted on case-by-case bases. According to these officials, as of March 2018, 14 peer review waivers had been requested since fiscal year 2016 and all of them were granted.

In contrast, contracting officials responding to our survey cited several factors that lengthened the time for contracts that were awarded later than anticipated. For example, in the solicitation phase, contracting officials for contracts awarded using full and open competition cited the lack of quality of the solicitation as a factor that lengthened the time needed, while contracting officials for contracts awarded using other than full and open competition cited the contractor's inability to provide a timely proposal and government changes in requirements.<sup>16</sup> In an Air Force cost-plus-award-fee contract awarded using other than full and open competition for a ballistic missile-related system valued over \$400 million, a contracting official noted that the government changed some of the requirements after solicitation issuance. This resulted in amendments to

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<sup>14</sup>For the factors that helped reduce the overall time for contracts awarded sooner than anticipated or helped mitigate the time needed if the contract was awarded later than anticipated, contracting officials for 9 of 32 contracts cited the factor on the decision to make this an office priority and contracting officials for 7 of 32 contracts cited contractor responsiveness as helping.

<sup>15</sup>Contracting officials for 4 of the 32 contracts that answered this question cited the factor on waivers or deviations from federal and service-level acquisition regulations, which include the Federal Acquisition Regulation, Defense Federal Acquisition Regulation Supplement, or Service Supplements.

<sup>16</sup>Contracting officials for 4 of 5 contracts awarded using full and open competition cited the quality of the solicitation. In contrast, for contracting officials with contracts awarded using other than full and open competition, respondents for 7 of 15 contracts cited the contractor's ability to provide a timely proposal and respondents for 2 of 15 contracts cited government changes in requirements.

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the solicitation and revisions to the contractor's proposal, which increased the time needed in the solicitation phase, and led to the contract being awarded later than anticipated.

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## Various Factors Affected Specific Phases from Solicitation Issuance to Contract Award

Based on survey responses, we also found variation in the factors that shortened or lengthened the time needed in the different phases—solicitation, initial evaluation, and negotiation.<sup>17</sup> Contracting officials pointed out, however, that additional time needed in one phase could result in less time being needed in other phases.

### Solicitation Phase

Contracting officials cited factors related to the quality of the solicitation and whether there were government changes in requirements as shortening or lengthening the time in this phase.<sup>18</sup>

- Contracting officials for contracts awarded using other than full and open competition cited the contractor's inability to provide a timely proposal as a factor that lengthened this phase.<sup>19</sup> For an Army sole-source contract for aircraft maintenance and sustainment support, contracting officials told us that the solicitation phase took longer than anticipated. This phase took over 10 months from the solicitation

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<sup>17</sup>In the survey we refer to negotiations conducted under full and open competition as discussions. Additionally, we did not ask about factors that could have affected the time in the contract award phase, which starts when the contracting officer receives approval to award the contract to when the contracting officer signs it.

<sup>18</sup>For contracting officials with contracts awarded using full and open competition, respondents for 5 of 8 contracts that stated they did not need more time and respondents for 4 of 5 contracts that stated they needed more time cited the quality of the solicitation. For the factor on government changes in requirements, respondents for 7 of 8 contracts that stated they did not need more time or respondents for 2 of 5 contracts that stated they needed more time cited this factor. For contracting officials with contracts awarded using other than full and open competition, respondents for 6 of 9 contracts that stated they did not need more time and respondents for 3 of 15 contracts that stated they needed more time cited the quality of the solicitation. For the factor on government changes in requirements, respondents for 4 of 9 contracts that stated they did not need more time or respondents for 2 of 15 contracts that stated they needed more time cited this factor.

<sup>19</sup>Contracting officials for 7 of 15 contracts cited this factor as lengthening the time needed.



issuance to when the contractor submitted a proposal. According to the contractor, after solicitation issuance, the government made some changes to the requirements, including the quantities of items. During that period, labor rates had changed, which increased the time needed to submit a proposal so that these changes could be incorporated.

### Evaluation Phase

Some of the factors cited by contracting officials as shortening or lengthening the evaluation phase included those related to the quality of the proposal, the acquisition workforce, or the staff performing evaluations or approving the analyses. Technical and cost or price evaluations, among others, assess the offerors' ability to perform successfully, ensure that offerors' proposals meet the requirements listed in the solicitation, and establish that the price is fair and reasonable. Contracting officials we surveyed cited different factors based on the cost or price evaluation, technical evaluations, and the extent competed.

- Contracting officials with contracts awarded using full and open competition cited the number and quality of the proposals—whether they needed revisions or not—as shortening or lengthening the time needed to complete technical evaluations.<sup>20</sup> For cost or price evaluations, they cited the number of proposals received and the completeness of the information provided by the contractor.<sup>21</sup>
- Contracting officials with contracts awarded using other than full and open competition cited contractor responsiveness to requests for additional information as a factor regardless of the time needed to

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<sup>20</sup>Contracting officials for 4 of 6 contracts that stated they did not need more time and contracting officials for 2 of 6 contracts that stated they needed more time cited the number of proposals received. For the factor on the quality of the proposals, contracting officials for 3 of 6 contracts that stated they did not need more time and contracting officials for 2 of 6 contracts that stated they needed more time cited this factor.

<sup>21</sup>For the factor on the number of proposals received, contracting officials for 5 of 9 contracts that stated they did not need more time and contracting officials for 1 of 4 contracts that stated they needed more time cited this factor. For the factor on completeness of the cost or pricing data, contracting officials for 3 of 9 contracts that stated they did not need more time and contracting officials for 2 of 4 contracts that stated they needed more time cited this factor.

complete both types of evaluations.<sup>22</sup> For cost or price evaluations, contracting officials cited factors related to the proposal, such as its quality and timeliness, as among the factors that helped shorten the time.<sup>23</sup> In a case study involving a Navy sole-source research and development contract valued over \$1 billion for the Next Generation Jammer, contracting and program officials said it took the contractor about 4 months after submitting the initial proposal to provide the contracting office a complete proposal due to delays in getting subcontractor information. According to these officials, despite the delay, they did not need more time in this phase since they were able to start evaluating the initial proposal consisting of the prime contractor's technical and cost information, and incorporate analyses for the subcontractor information once they received it.

Contracting officials that used other than full and open competition also cited requesting audit assistance from the Defense Contract Audit Agency as a factor that lengthened the time needed for cost or price evaluations.<sup>24</sup> For example, in a Navy firm-fixed-price contract that was awarded using other than full and open competition for radar engineering services valued at \$221 million, an audit took longer than anticipated—about 5 months—due in part to a complex pricing model and delays in receiving subcontractor pricing data. While the Defense Contract Audit Agency and the contractor communicated on the pricing data and cost structure, the agency was unable to complete its audit without the subcontractor data.

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<sup>22</sup>For technical evaluations, contracting officials for 3 of 7 contracts that stated they did not need more time and contracting officials for 7 of 14 contracts that stated they needed more time cited this factor. For cost or price evaluations, contracting officials for 4 of 7 contracts that stated they did not need more time and contracting officials for 7 of 14 contracts that stated they needed more time cited this factor.

<sup>23</sup>Contracting officials for 4 of 7 contracts each cited the quality or timeliness of the proposal as factors that shortened the time.

<sup>24</sup>Contracting officials for 4 of 14 contracts cited this factor. Contracting officers may request field pricing assistance from the Defense Contract Management Agency and the Defense Contract Audit Agency to determine a fair and reasonable price. These agencies can provide technical, audit, and special reports associated with the cost elements of a proposal; information on related pricing practices and history; and help determine commerciality. The Defense Contract Audit Agency's pre-award audits may involve reviewing the contractor's proposal, which includes cost and pricing data, labor hours, material costs, and subcontractors' pricing and cost information.

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## Negotiation Phase

In addition to agreeing on the price of a contract, the negotiation phase also includes any additional evaluations of revised proposals.<sup>25</sup> Contracting officials cited the need for subsequent evaluations due to revised proposals as a factor that lengthened this phase.<sup>26</sup> Among other factors, contracting officials cited the contract approval authority level and the approving authority's availability or responsiveness as factors that shortened this phase.<sup>27</sup> In contrast, contracting officials also cited bid protests or agreement on fees as factors that lengthened it.

- A contracting official for an Air Force contract awarded using full and open competition cited pre-award bid protests as a factor that lengthened the discussion phase.<sup>28</sup> One of the offerors protested the evaluation of its proposal, which was found technically unacceptable. The offeror's protest was denied because it was found that the evaluation of the proposal was reasonable and consistent with the terms of the solicitation. In addition, the offeror initially selected for award of the approximately \$17 million contract was the lowest priced proposal that was found technically acceptable. However, the contracting officer subsequently found the offeror nonresponsive due to several challenges. These challenges and the pre-award bid protest resulted in a longer than anticipated discussion phase, and the award was made to the next lowest priced offeror.
- Contracting officials for 2 contracts awarded using other than full and open competition cited obtaining agreement on profit or fee as a factor

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<sup>25</sup>In the survey we refer to negotiations conducted under full and open competition as discussions.

<sup>26</sup>Contracting officials for 5 out of 16 contracts in total that stated they needed more time in this phase regardless of the extent competed cited the need for subsequent evaluations due to revised proposals as a factor, with contracting officials for 3 out of 6 contracts awarded using full and open competition and contracting officials for 2 out of 10 contracts awarded using other than full and open competition citing this factor.

<sup>27</sup>Only one contracting official with a contract awarded using full and open competition responded they did not need more time in this phase, and the contracting official cited contract approval authority level as a factor. Among the contracting officials for 14 contracts awarded using other than full and open competition that did not need more time, contracting officials for 7 contracts cited the contract approval authority level and contracting officials for 6 contracts cited their availability or responsiveness as factors.

<sup>28</sup>A contracting official for 1 of the 6 contracts that stated they needed more time cited the factor pre-award bid protest.

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that lengthened the negotiation phase.<sup>29</sup> For example, in an Army contract for spares, maintenance, and overhaul of an airframe, the government and the contractor disagreed over the profit margin. Negotiations for the approximately \$54 million contract stalled until the issue was elevated to higher levels at both the contractor and the government. This contract took about 22 months from solicitation issuance to contract award, with the negotiations phase taking about 8 months from approval to enter into negotiations to approval for contract award.

For additional information on the survey results, see appendix II.

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## Conclusions

DOD has proposed reducing the time to award contracts in order to address concerns that it is taking too long. To measure progress against its goal, DOD will need relevant information about the time frames involved. DOD components are collecting information on the length of time to award contracts, but their efforts differ. DOD does not have a comprehensive strategy to use the component information already available or to collect other information that may be needed to assess contract award time frames. Having a DOD-wide strategy could enable DOD to consistently and comprehensively track contract award time, assess the factors contributing to this time, leverage the various efforts that the components have taken, identify any best practices, and measure progress toward any goals for reducing the time to award contracts. Currently, DOD does not define the events that should be measured occurring prior to solicitation or those that occur between solicitation issuance and contract award. While the military components collect various information about the length of time to award contracts based on their specific needs and organizational structures, at a minimum, DOD should have relevant information for its own management purposes. As DOD implements provisions in the National Defense Authorization Act for Fiscal Year 2018, the department has an opportunity to identify what data, if any, beyond just the overall procurement administrative lead time should be collected and reported. Identifying the information that is to be collected is a necessary first step for DOD to assess its progress in reducing the time taken to award contracts.

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<sup>29</sup>Contracting officials for 2 of 10 contracts that stated they needed more time cited the factor obtaining agreement on profit or fee.

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## Recommendation for Executive Action

We recommend that the Secretary of Defense direct the Director, Defense Procurement and Acquisition Policy to develop a strategy regarding contract award time frames that identifies:

- the information the department needs to collect; and
- how the department will use the information to assess the time it takes to award contracts.

The strategy should seek to communicate the department's goals related to contract award time frames, seek to leverage ongoing data collection efforts by the various components, and specify the events prior to solicitation and between solicitation issuance and contract award that the department believes should be tracked. (Recommendation 1)

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## Agency Comments

We provided a draft of this report to DOD for comment. DOD concurred with the recommendation. DOD provided written comments which have been reproduced in appendix III. DOD also provided technical comments which we incorporated as appropriate.

We are sending copies of this report to the Secretary of Defense; the Under Secretary of Defense for Acquisition, Technology and Logistics; the Secretaries of the Army, Navy, and Air Force; the Director, Defense Logistics Agency; appropriate congressional committees; and other interested parties. This report will also be available at no charge on GAO's website at <http://www.gao.gov>.

If you or your staff have any questions concerning this report, please contact me at (202) 512-4841 or by e-mail at [woodsw@gao.gov](mailto:woodsw@gao.gov). Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. Key contributors to this report are listed in appendix IV.

*William T. Woods*

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William T. Woods  
Director, Contracting and National Security Acquisitions

*Congressional Requesters*

The Honorable Mac Thornberry  
Chairman  
Committee on Armed Services  
House of Representatives

The Honorable Steve Chabot  
Chairman  
Committee on Small Business  
House of Representatives

The Honorable Steve Knight  
Chairman  
Subcommittee on Contracting and Workforce  
Committee on Small Business  
House of Representatives

# Appendix I: Objectives, Scope, and Methodology

We were asked to evaluate the length of time taken to award weapon systems-related contracts. This report examines (1) the Department of Defense's (DOD) efforts to determine the time it takes to award weapon systems contracts; (2) what available data show regarding the time between solicitation issuance and award for selected weapon systems-related contracts; and (3) factors identified as contributing to contract award time frames.

To understand the procedures DOD follows to award contracts and DOD's efforts to determine the time it takes to award contracts, we reviewed relevant sections of the Federal Acquisition Regulation (FAR), such as Part 6: Competition Requirements, and Part 15: Contracting by Negotiation, and relevant sections of the Defense Federal Acquisition Regulation Supplement. In addition, we analyzed DOD-level and component-level guidance, policies, memorandums, and training materials on the contract award process. We also reviewed *Standards for Internal Control in the Federal Government* and prior GAO reports.<sup>1</sup>

To determine the extent DOD components (Air Force, Army, Navy and the Defense Logistics Agency) collected and analyzed data and how they are managing the time from solicitation issuance to contract award, we analyzed relevant documentation, such as monthly or quarterly management reviews and briefings. We interviewed acquisition officials at DOD and the components regarding studies or analysis conducted related to the time to award contracts. We selected the components based on the highest total number of contracts and highest total contract value. We discussed contract award time frames included in studies or analysis to determine the selected components' or commands' reasons for conducting the analysis, any challenges identified, actions taken to address those challenges, and ongoing efforts to reduce the time needed to complete the contract award process. We also discussed their data collection and verification process, but we did not independently verify the

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<sup>1</sup>GAO, *Standards for Internal Control in the Federal Government*, [GAO-14-704G](#) (Washington, D.C.: September 2014).

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data that were reported in the studies and analyses. We determined that the data reported by the military components were reliable for the purposes of describing data collection and analyses done by DOD components. We also met with industry associations for their perspective regarding the length of time to award weapon systems-related contracts.

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## Identifying Weapon Systems-Related Contracts

To understand the length of time taken to award DOD weapon systems-related contracts, and how contract value, extent competed, and contract type relate to that time, we analyzed contract data for a nongeneralizable sample of weapon systems-related contracts from the Federal Procurement Data System-Next Generation (FPDS-NG). We used FPDS-NG to identify DOD weapon systems-related contracts that were newly awarded from fiscal year 2014 through fiscal year 2016, with a contract value of \$5 million or more. To include weapon systems-related contracts, we initially selected major defense weapon systems contracts as identified by DOD and identified the supplies or service codes (Product Service Code and North American Industry Classification Systems codes). We then compared the list of contracts with contract information in FPDS-NG to identify the contracts that contain the same codes to identify similar supplies and services. We narrowed the number of contracts using the DOD acquisition program field in FPDS-NG as a proxy to identify weapon systems-related contracts. For multiple award contracts, we selected the first contract awarded among those that were awarded under the same solicitation as indicated by the contract number. We excluded contracts that were awarded under specific circumstances that use different acquisition procedures, such as contracts awarded under simplified acquisition procedures. In addition, we excluded basic ordering agreements; blanket purchase agreements; orders of any type, including task and delivery orders; and extensions of existing contracts. We excluded undefinitized contract actions and contracts that included foreign funds or foreign military sales because of the peculiarities associated with these procurements. We also excluded contracts coded as Ballistic Missile Defense Organization in FPDS-NG because this field was used broadly to include contracts for both weapon systems and non-weapon systems.

We further limited our selection of contracts to selected military components—Air Force, Army, Navy and the Defense Logistics Agency based on the highest number of contracts and highest total contract



value. We then identified the largest commands within these components also based on the number of contracts and total contract value.

- Air Force- Air Force Materiel Command,
- Army- Army Contracting Command
- Defense Logistics Agency- Aviation
- Navy- Naval Air Systems Command
- Navy- Naval Sea Systems Command

Defense Logistics Agency-Aviation, Air Force Materiel Command, and the Army Contracting Command awarded the higher number of contracts and the highest total value within their respective components.<sup>2</sup> For Navy, the Naval Air Systems Command awarded the higher number of contracts, but the Naval Sea Systems Command awarded a higher total value, so we included both.

For multiple award contracts, we selected the first contract awarded among those that were awarded under the same solicitation as indicated by the contract number. We excluded contracts that were awarded under specific circumstances that use different acquisition procedures, such as contracts awarded under simplified acquisition procedures. In addition, we excluded basic ordering agreements; blanket purchase agreements; orders of any time, including task and delivery orders; and extensions of existing contracts. We excluded undefinitized contract actions and contracts that included foreign funds or foreign military sales because of the peculiarities associated with these procurements. We also excluded contracts coded as Ballistic Missile Defense Organization in FPDS-NG because this field was used broadly to include contracts for both weapon systems and non-weapon systems. As a result, we initially identified a nongeneralizable sample of 145 contracts. In addition, we used the information contracting officials reported in our web-based survey to confirm whether the 60 contracts we surveyed met our selection criteria, and excluded those that did not. These exclusions resulted in a nongeneralizable selection of 129 weapon systems-related contracts.

To assess FPDS-NG data reliability, we compared the FPDS-NG data to the contract documentation that we obtained for the solicitation issuance

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<sup>2</sup>For the purposes of our report, we refer to the Defense Logistics Agency-Aviation as a command.

and contract award dates to verify the dates. We verified the contract value, extent competed, and contract type by comparing the data reported in FPDS-NG, such as the contract number and award value, to information in the contract documentation. We also verified the solicitation and contract award dates using contract documentation. We determined that the FPDS-NG data was reliable for the purposes of identifying a nongeneralizable sample of contracts and analyzing time between solicitation and contract award dates, contract value, extent competed, and contract type.

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## Survey Methodology

To obtain information on the factors that helped or hindered the length of time to award contracts, we conducted a web-based survey of contracting officials—such as contracting officers or contract specialists—for 60 contracts. The survey collected information from contracting officials on the start and end dates of the solicitation, initial evaluation, discussion or negotiation, and contract award phases. We also collected information on factors that helped mitigate the time interval or hindered contracting officials from completing the solicitation, initial evaluation, and discussion or negotiation phases. For the survey, we additionally screened out contracts awarded using sealed bidding. We also did not include the Defense Logistics Agency-Aviation as part of the survey because it is a combat support agency providing weapon systems parts for the military services. From 145 of the 171 selected weapon systems-related contracts, we randomly selected 20 contracts from the Air Force Materiel Command, 20 from the Army Contracting Command, 10 from the Naval Air Systems Command, and 10 from the Naval Sea Systems Command for a nongeneralizable survey sample.<sup>3</sup>

For the survey, we identified the time to award contracts by phases, from solicitation issuance to contract award. These phases are based on discrete events found in the FAR or component-specific guidance as necessary steps in awarding a contract by negotiation.

The 4 phases we identified are:

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<sup>3</sup>We did not survey any contracts from Defense Logistics Agency-Aviation and removed duplicate contracts.

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- Solicitation: from solicitation issuance to solicitation closing date or receipt of initial proposal
  - Initial Evaluation: from solicitation closing date or receipt of initial proposal to when contracting personnel receive approval to enter into discussion or negotiation
  - Discussions/negotiations: from approval to enter into discussion or negotiation to approval to award the contract
  - Contract award: from approval to award the contract to the date the contract was signed by the contracting officer.

We conducted a total of eight telephone pre-tests on the contents and format of the survey with officials from the Air Force Materiel Command, Army Contracting Command, Naval Air Systems Command, and Naval Sea Systems Command to determine if the questions were understandable and answerable, in addition to verifying that the terminology used in the survey was accurate, and that the survey was unbiased. As a result of the pre-tests, we refined the survey as appropriate. We emailed a link to the web-based survey to contracting officials for the 60 selected weapon systems-related contracts on October 19, 2017. To encourage respondents to complete the survey, we sent reminder emails and made telephone calls to contracting officials after the initial email was sent. We closed the survey on January 10, 2018. Of the 60 contracts we surveyed, we excluded 18 contracts that did not meet our selection criteria based on the responses from the contracting officials. These included contracts that were not newly awarded, used sealed bid procedures, or contained foreign funding or foreign military sales.<sup>4</sup> Of the 42 remaining contracts, we received responses from contracting officials for 37 contracts, for an overall response rate of 88 percent.

The survey included event dates, which differentiate between the phases. We did not verify the start and end dates of the phases reported in the survey and relied on contracting officials' responses. We did, however, verify the dates for solicitation issuance and contract award against the FPDS-NG reported data and contract documentation as part of the verification process for the 129 selected contracts. We emailed contracting officials in certain instances where we needed clarification on survey responses. For example, we followed-up on responses that differed from FPDS-NG reported data and responses that indicated that a

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<sup>4</sup>While we did not include contracts under sealed bidding for the survey, we included them in the 129 selected weapon systems-related contracts.

contract was awarded using both full and open and other than full and open competition, among others. We made corrections to the data as needed.

## Case Study Methodology

For more in-depth information on the factors and circumstances that affected the time from solicitation issuance to contract award, we selected 7 contracts from the survey for further analysis. To obtain a variety of contract characteristics, we selected the case studies based on certain criteria including: (1) representation of different DOD components; (2) a range of longer and shorter time intervals between solicitation and contract award date; (3) contracts with larger contract value; and (4) the extent the contracts were competed. We selected 4 contracts awarded using other than full and open competition and 3 awarded using full and open competition.<sup>5</sup> For the purposes of our report, full and open competition after exclusion of sources is considered to be full and open competition. We did not select contracts from the Naval Sea Systems Command as part of our case study because the extent of competition was not confirmed at the time of selection.

**Table 3: Number of Case Study Contracts GAO Selected by DOD Component and Extent Competed**

DOD components	Full and open competition	Other than full and open competition
Army	2	1
Air Force	1	1
Naval Air Systems Command		2
<b>Total</b>	<b>3</b>	<b>4</b>

Source: GAO analysis. | GAO-18-467

For these 7 contracts, we reviewed the survey results, analyzed contract file documentation, and conducted interviews with available contracting

<sup>5</sup>The term extent competed refers to whether the contract was awarded using full and open competition, full and open competition after exclusion of sources, or other than full and open competition. For the purposes of our report, full and open competition after exclusion of sources is considered to be full and open competition. The FAR defines several types of competition: full and open competition, full and open competition after exclusion of sources, and other than full and open competition. Agencies can competitively award contracts after limiting the pool of available contractors—a process called full and open competition after exclusion of sources. An example of this is when agencies set aside procurements for small businesses.

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officials and program office officials, as well as contractor representatives to obtain their perspectives on the factors that helped or hindered the time from solicitation issuance to contract award.

We conducted this performance audit from January 2017 to July 2018 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

# Appendix II: Supplemental Survey Results for Selected Questions from GAO's Survey of Factors Affecting the Length of Time to Award Contracts

We distributed a web-based survey to a random sample of contracting officials for 60 weapon systems-related contracts and reviewed responses for 37 contracts. The survey results presented in tables 4 through 13 are nongeneralizable. For more information on our methodology for designing and distributing the survey, see appendix I.

**Table 4: How Would You Characterize the Extent to Which the Actual Contract Award Date Met Its Anticipated Date at the Time of Solicitation Issuance?**

Competition	Awarded sooner than anticipated	Awarded as anticipated	Awarded later than anticipated	No basis to comment	Total by competition
Full and open competition	4	2	6	1	13
Other than full and open competition	4	2	17	0	23
Other	1	0	0	0	1
<b>Total by time frames</b>	<b>9</b>	<b>4</b>	<b>23</b>	<b>1</b>	<b>37</b>

Source: GAO analysis of reported survey responses. | GAO-18-467

**Appendix II: Supplemental Survey Results for  
Selected Questions from GAO's Survey of  
Factors Affecting the Length of Time to Award  
Contracts**

**Table 5: Which of the Following Factors Helped Facilitate a Shorter Time Frame if the Contract Was Awarded Sooner than Anticipated, or Mitigate the Total Time Needed to Award a Contract if the Contract Was Awarded Later Than Anticipated?**

<b>Factor</b>	<b>Out of 32 Contracts</b>
Use of expedited acquisition processes	4
Resources provided to support the acquisition workforce	4
Decision to make this contract award an office priority	9
Quality of proposals	7
Timeliness of proposals	4
Contractor responsiveness to requests for additional information	7
Contract approval authority level	7
Waivers or deviations from the Federal Acquisition Regulation, Defense Federal Acquisition Regulation Supplement, or Service supplements	4
Other as identified by respondents	5

Source: GAO analysis of reported survey responses. | GAO-18-467

**Factors that Helped or Hindered Contracting Officials  
Complete the Following Phases**

**Table 6: Solicitation Phase for Contracts Awarded Using Full and Open Competition**

<b>Based on your responses to Question 16A, was the actual closing date different from the original?<sup>a, b</sup></b>	<b>Yes, sooner than anticipated, or no, as anticipated</b>	<b>Yes, later than anticipated</b>
Of 13 contracts awarded using full and open competition	8	5
	Which of the following factors helped you meet the original closing date?	Which of the following factors hindered you from meeting the original closing date?
<b>Factors</b>		
Quality of solicitation (e.g., clear and complete)	5	4
No changes or minor changes in requirements or government changes in requirements	7	2
Funds available as anticipated/Changes in availability of funds	2	1
Special authorizations (e.g., block buys) or award dependent on special authorizations	0	0
Sufficient or insufficient resources for the acquisition workforce	2	0
Early exchange of information with offerors	6	Not applicable
Little to no contractor feedback or questions or responding to contractor feedback	2	3
Contractor requests for extensions	Not applicable	3
Sufficient or insufficient legal support	3	0
Other	1	0

Source: GAO analysis of reported survey responses. | GAO-18-467

**Appendix II: Supplemental Survey Results for Selected Questions from GAO's Survey of Factors Affecting the Length of Time to Award Contracts**

<sup>a</sup>The results of each factor are independent of the other as the contracting officials were able to select all that applied.

<sup>b</sup>Question 16A asked for the dates of the following events for contracts awarded using full and open competition: solicitation issuance, original solicitation closing, and the actual solicitation closing, if different from the original closing date.

**Table 7: Solicitation Phase for Contracts Awarded Using Other than Full and Open Competition**

<b>Based on your responses to Question 16A, was the actual different from the original?<sup>a</sup></b>	<b>Yes, sooner than anticipated or no, as anticipated</b>	<b>Yes, later than anticipated</b>
Of 24 contracts awarded using other than full and open competition	9	15
	Which of the following factors helped you receive the proposal on the original due date?	Which of the following factors hindered you from receiving the proposal on the original due date?
<b>Factors</b>		
Quality of solicitation (e.g., clear and complete)	6	3
No changes or minor changes in requirements or government changes in requirements	4	2
Funds available as anticipated or changes in the availability of funds	0	0
Special authorizations (e.g., block buys) or the award is dependent on special authorizations	0	0
Sufficient or insufficient resources for the acquisition workforce	3	0
Early exchange of info with offerors	6	Not applicable
Little to no contractor feedback and questions or responding to contractor feedback	1	3
Few or no contractor requests for extensions or contractor requests for extension	4	4
Contractor ability to provide timely proposal	Not applicable	7
Contractor ability to provide subcontractor evaluations	2	1
Sufficient legal support	2	Not applicable
Other	1	1

Source: GAO analysis of reported survey responses. | GAO-18-467

<sup>a</sup>Question 16A asked for the dates of the following events for contracts awarded using other than full and open competition: solicitation issuance; original due date for the solicitation; and the actual due date for the solicitation, if different from the original due date.



**Appendix II: Supplemental Survey Results for  
Selected Questions from GAO's Survey of  
Factors Affecting the Length of Time to Award  
Contracts**

**Table 8: Evaluation Phase—Technical—for Contracts Awarded Using Full and Open Competition**

<b>Did you need more time in the evaluation phase than you had anticipated at the time of solicitation issuance to complete the technical evaluation?<sup>a</sup></b>	<b>No</b>	<b>Yes</b>	<b>Did not apply to this contract</b>
Of 13 contracts awarded using full and open competition	6	6	1
	Which of the following factors helped meet or reduce the total time (e.g., number of days) needed in the evaluation phase to complete the technical evaluation?	Which of the following factors hindered the total time (e.g., number of days) needed in the evaluation phase to complete the technical evaluation?	
<b>Factors</b>			
Number of proposals received	4	2	
Quality of the proposals	2	3	
Complexity of technical requirements	0	2	
Evaluation factors (complexity, availability of information)	3	1	
Availability of the acquisition workforce	4	0	
Experience or limited experience of the acquisition workforce	4	2	
Availability of other staff assigned to source selection responsibilities	2	1	
Pre-evaluation or limited pre-evaluation training for evaluators	2	2	
Experience or limited experience of other staff assigned to source selection responsibilities	2	0	
Defense Contract Management Agency involvement or assistance	0	0	
Availability of legal staff	2	0	
Experience or limited experience of legal support	1	0	
Other	0	0	

Source: GAO analysis of reported survey responses. | GAO-18-467

<sup>a</sup>The results of each factor are independent of the other as the contracting officials were able to select all that applied.

**Appendix II: Supplemental Survey Results for  
Selected Questions from GAO's Survey of  
Factors Affecting the Length of Time to Award  
Contracts**

**Table 9: Evaluation Phase—Technical—for Contracts Awarded Using Other than Full and Open Competition**

<b>Did you need more time in the evaluation phase than you had anticipated at the time of solicitation issuance to complete the technical evaluation?<sup>a</sup></b>	<b>No</b>	<b>Yes</b>	<b>Did not apply to this contract</b>	<b>Did not answer</b>
Of 24 contracts awarded using other than full and open competition	7	14	2	1
	Which of the following factors helped meet or reduce the total time (e.g., number of days) needed in the evaluation phase to complete the technical evaluation?	Which of the following factors hindered the total time (e.g., number of days) needed in the evaluation phase to complete the technical evaluation?		
<b>Factors</b>				
Quality of the proposal	3	3		
Timeliness of the proposal	3	2		
Contractor responsiveness to requests for additional information	3	7		
Complexity of the technical requirement	3	7		
Availability of the acquisition workforce	5	1		
Experience or limited experience of the acquisition workforce	4	1		
Availability of the staff to perform evaluations, approve analyses, etc.	2	4		
Pre-evaluation or limited pre-evaluation training for evaluators	0	0		
Experience or limited experience of the staff to perform evaluations, approve analyses, etc.	2	3		
Other	1	2		

Source: GAO analysis of reported survey responses. | GAO-18-467

<sup>a</sup>The results of each factor are independent of the other as the contracting officials were able to select all that applied.

**Appendix II: Supplemental Survey Results for  
Selected Questions from GAO's Survey of  
Factors Affecting the Length of Time to Award  
Contracts**

**Table 10: Evaluation Phase—Cost or Price—for Contracts Awarded Using Full and Open Competition**

<b>Did you need more time in the evaluation phase than you had anticipated at the time of solicitation issuance to complete the cost or price evaluation?<sup>a</sup></b>	<b>No</b>	<b>Yes</b>
Of 13 contracts awarded using full and open competition	9	4
	Which of the following factors helped meet or reduce the total time (e.g., number of days) needed in the evaluation phase to complete the cost or price evaluation?	Which of the following factors hindered the total time (e.g., number of days) needed in the evaluation phase to complete the cost or price evaluation?
<b>Factors</b>		
Number of the proposals received	5	1
Quality of proposals	2	2
Completeness of the cost or pricing data provided by the contractor	3	2
Quality of the subcontracting plans provided by the contractor	1	0
Complexity of the technical requirement	1	1
Conducting cost realism analysis	1	0
Requested audit assistance from the Defense Contract Audit Agency	0	1
Defense Contract Management Agency involvement or assistance	1	1
Availability of staff to perform evaluations, approve analyses, etc.	0	1
Experience or limited experience of the staff performing evaluations, approve analyses, etc.	3	1
Pre-evaluation or limited pre-evaluation training for evaluators	0	0
Availability of the legal staff	1	0
Experience or limited experience of legal staff	1	0
Other	1	2

Source: GAO analysis of reported survey responses. | GAO-18-467

<sup>a</sup>The results of each factor are independent of the other as the contracting officials were able to select all that applied.

**Appendix II: Supplemental Survey Results for  
Selected Questions from GAO's Survey of  
Factors Affecting the Length of Time to Award  
Contracts**

**Table 11: Evaluation Phase—Cost or Price—for Contracts Awarded Using Other than Full and Open Competition**

<b>Did you need more time in the evaluation phase than you had anticipated at the time of solicitation issuance to complete the cost or price evaluation?<sup>a</sup></b>	<b>No</b>	<b>Yes</b>	<b>Did not apply</b>	<b>Did not answer</b>
Of 24 contracts awarded using other than full and open competition	7	14	2	1
	Which of the following factors helped meet or reduce the total time (e.g., number of days) needed in the evaluation phase to complete the cost or price evaluation?	Which of the following factors hindered the total time (e.g., number of days) needed in the evaluation phase to complete the cost or price evaluation?		
<b>Factors</b>				
Quality of the proposal	4	4		
Timeliness of the proposal	4	3		
Completeness of the certified cost or pricing data provided by the contractor	3	2		
Quality of the subcontracting plans provided by the contractor	1	2		
Completeness of the subcontracting plans provided by the contractor	1	1		
Contractor responsiveness to requests for additional information	4	7		
Complexity of the technical requirements	2	5		
Conducting cost realism analysis	0	2		
Requested audit assistance from the Defense Contract Audit Agency	0	4		
Defense Contract Management Agency involvement or assistance	0	1		
Availability of staff to perform evaluations, approve analyses, etc.	5	1		
Pre-evaluation or limited pre-evaluation training for evaluators	0	1		
Experience or limited experience of the staff performing evaluations, approve analyses, etc.	5	3		
Other	0	2		

Source: GAO analysis of reported survey responses. | GAO-18-467

<sup>a</sup>The results of each factor are independent of the other as the contracting officials were able to select all that applied.

**Appendix II: Supplemental Survey Results for  
Selected Questions from GAO's Survey of  
Factors Affecting the Length of Time to Award  
Contracts**

**Table 12: Discussion Phase for Contracts Awarded Using Full and Open Competition**

<b>Did you need more time in the discussion phase than you had anticipated at the time of solicitation issuance to receive approval to enter into contract award?<sup>a</sup></b>	<b>No, as anticipated or needed less time than anticipated</b>	<b>Yes, needed more time than anticipated</b>	<b>Did not answer</b>
Of 8 contracts awarded using full and open competition that held discussions <sup>b</sup>	1	6	1
	Which of the following factors helped you complete discussions and receive approval to enter into contract award in the anticipated amount of time?	Which of the following factors hindered you from completing discussions and receiving approval to enter into contract award in the anticipated amount of time? <sup>c</sup>	
<b>Factors</b>			
Changes in the availability or anticipated availability of funds or funds available as anticipated	0	1	
Waiting for or receiving waivers or deviations from the Federal Acquisition Regulation, Defense Federal Acquisition Regulation Supplement, or Service Supplements	1	0	
Contract approval authority level (e.g., availability, etc.)	1	0	
Approving authority availability/responsiveness	0	0	
Need or no need for subsequent evaluations due to revised proposal	0	3	
Contractor responsiveness to requests for additional information	0	1	
Availability of the legal staff	0	0	
Experience or limited experience of the legal staff	1	0	
Pre-award bid protest	Not applicable	1	
Other	0	2	

Source: GAO analysis of reported survey responses. | GAO-18-467

<sup>a</sup>The results of each factor are independent of the other as the contracting officials were able to select all that applied.

<sup>b</sup>Of the 13 contracts awarded using full and open competition, contracting officials for 8 contracts reported holding discussions and 5 did not.

<sup>c</sup>In the survey, we referenced negotiations instead of discussions for factors that helped in a full and open competition environment. We reached out to respondents that could be affected by this change and received confirmation the word choice did not affect their understanding of the questions or their responses.

**Appendix II: Supplemental Survey Results for  
Selected Questions from GAO's Survey of  
Factors Affecting the Length of Time to Award  
Contracts**

**Table 13: Negotiation Phase for Contracts Awarded Using Other than Full and Open Competition**

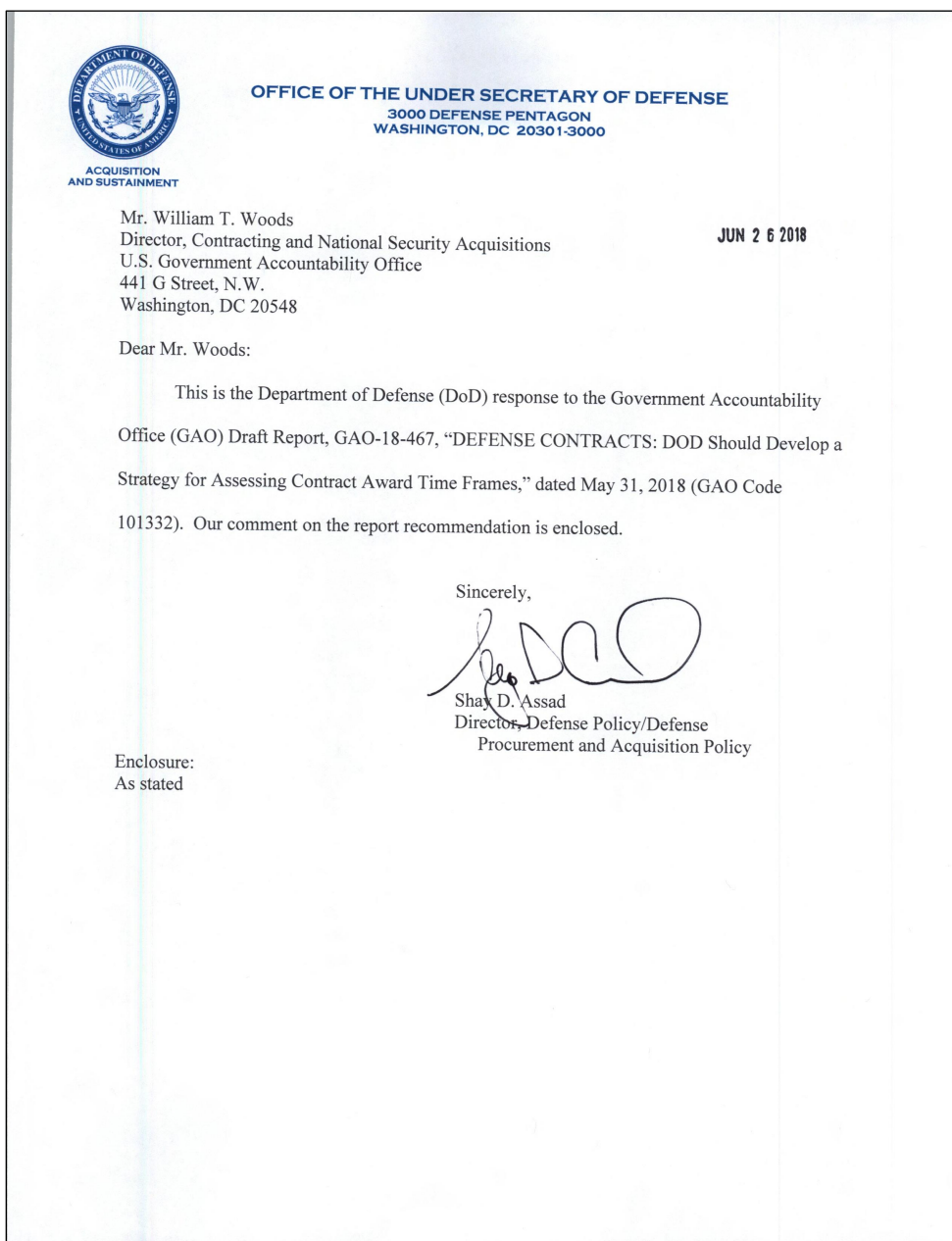
<b>Did you need more time in the negotiation phase than you had anticipated at the time of solicitation issuance to receive approval to enter into contract award?<sup>a</sup></b>	<b>No, as anticipated or needed less time than anticipated</b>	<b>Yes, needed more time than anticipated</b>
Of the 23 contracts awarded using other than full and open competition that held negotiations <sup>b</sup>	14	10
	Which of the following factors helped you meet or reduce the total time needed to receive approval to enter into contract award?	Which of the following factors hindered you from meeting the total time needed in the negotiation phase (e.g., number of days) to receive approval to enter into contract award?
<b>Factors</b>		
Complexity of the requirements	3	6
Changes in the availability or anticipated availability of funds or funds available as anticipated	3	1
Waivers or deviations from the Federal Acquisition Regulation, Defense Federal Acquisition Regulation Supplement, or Service Supplements	0	Not applicable
Contract approval authority level (e.g., availability, etc.)	7	0
Approving authority availability or responsiveness	6	1
Need or no need for subsequent evaluations due to revised proposal	3	2
Obtaining agreement of profit or fee	2	2
Contractor responsiveness to requests for additional information	5	1
Need or no need for subsequent clearance approval due to changes in proposal	2	0
Availability of legal staff	5	0
Experience or limited experience of the legal staff	2	0
Other	3	3

Source: GAO analysis of reported survey responses. | GAO-18-467

<sup>a</sup>The results of each factor are independent of the other as the contracting officials were able to select all that applied.

<sup>b</sup>While contracting officials for 23 of the 24 contracts awarded using other than full and open competition responded they held negotiations, contracting officials for all 24 contracts responded to the question on anticipated time frames and the factors affecting the time.

# Appendix III: Comments from the Department of Defense



GAO Draft Report Dated May 31, 2018  
GAO-18-467 (GAO CODE 101332)

**“DEFENSE CONTRACTS: DOD SHOULD DEVELOP A STRATEGY FOR ASSESSING  
CONTRACT AWARD TIME FRAMES”**

**DEPARTMENT OF DEFENSE COMMENTS  
TO THE GAO RECOMMENDATION**

**RECOMMENDATION 1:** The Government Accountability Office (GAO) recommends that the Secretary of Defense direct the Director, Defense Procurement and Acquisition Policy to develop a strategy regarding contract award timeframes that identifies:

- the information the Department needs to collect; and
- how the Department will use the information to assess the time it takes to award contracts.

The strategy should seek to communicate the Department’s goals related to contract award timeframes, seek to leverage ongoing data collection efforts by the various components, and specific the events prior to solicitation and between solicitation issuance and contract award that Department believes should be tracked.

**DoD RESPONSE:** The Department concurs with the recommendation and plans to complete the recommendation within the first quarter of fiscal year 2019.



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# Appendix IV: GAO Contact and Staff Acknowledgments

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## GAO Contact:

William T. Woods, (202) 512-4841 or [woodsw@gao.gov](mailto:woodsw@gao.gov)

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## Staff Acknowledgments

In addition to the contact named above, Penny Berrier (Assistant Director), Peter Anderson, David Ballard, Sonja Bensen, Lorraine Ettaro, Kurt Gurka, Gina Hoover, Julia Kennon, Carol Mebane, Anh Nguyen, Bonita Oden, Jenny Shinn, Abby Volk, and Robin Wilson made major contributions to this report.

# Appendix V: Accessible Data

## Data Tables

**Data Table for Time between Solicitation Issuance and Contract Award by Dollar Value for 129 Selected Contracts**

Years	10 million or below	More than \$10 million to less than \$50 million	\$50 million to less than \$100 million	\$100 million to less than \$500 million	\$500 million to less than \$1 billion	\$1 billion
More than 2 years	1	2	N/A	N/A	N/A	N/A
More than 1 year to 2 years	8	11	3	9	1	6
0-12 months	32	33	8	10	2	3

**Data Table for Figure 2: Time Interval between Solicitation and Contract Award by Contract Value for 129 Weapon Systems-Related Contracts from Fiscal Years 2014 - 2016**

Contract Award	0-12 months	More than 1 year to 2 years	More than 2 years
10 million or below	32	8	1
More than \$10 million to less than \$50 million	33	11	2
\$50 million to less than \$100 million	8	3	
\$100 million to less than \$500 million	10	9	
\$500 million to less than \$1 billion	2	1	
\$1 billion	3	6	

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## Agency Comment Letter

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### Text of Appendix III: Comments from the Department of Defense

#### Page 1

Dear Mr. Woods:

This is the Department of Defense (DoD) response to the Government Accountability Office (GAO) Draft Report, GAO-18-467, "DEFENSE CONTRACTS: DOD Should Develop a Strategy for Assessing Contract Award Time Frames," dated May 31, 2018 (GAO Code 101332). Our comment on the report recommendation is enclosed.

Shay D. Assad  
Director, Defense Policy/Defense  
Procurement and Acquisition Policy

Enclosure:  
As stated

#### Page 2

**GAO Draft Report Dated May 31, 2018 GAO-18-467  
(GAO CODE 101332)  
"DEFENSE CONTRACTS: DOD SHOULD DEVELOP A STRATEGY  
FOR ASSESSING CONTRACT AWARD TIME FRAMES"  
DEPARTMENT OF DEFENSE COMMENTS TO THE GAO  
RECOMMENDATION**

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The Government Accountability Office (GAO) recommends that the Secretary of Defense direct the Director, Defense Procurement and Acquisition Policy to develop a strategy regarding contract award timeframes that identifies:

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- how the Department will use the information to assess the time it takes to award contracts.

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The strategy should seek to communicate the Department's goals related to contract award timeframes, seek to leverage ongoing data collection efforts by the various components, and specify the events prior to solicitation and between solicitation issuance and contract award that Department believes should be tracked.

**DoD RESPONSE:**

The Department concurs with the recommendation and plans to complete the recommendation within the first quarter of fiscal year 2019.

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Chuck Young, Managing Director, [youngc1@gao.gov](mailto:youngc1@gao.gov), (202) 512-4800  
U.S. Government Accountability Office, 441 G Street NW, Room 7149  
Washington, DC 20548

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## Strategic Planning and External Liaison

James-Christian Blockwood, Managing Director, [spel@gao.gov](mailto:spel@gao.gov), (202) 512-4707  
U.S. Government Accountability Office, 441 G Street NW, Room 7814,  
Washington, DC 20548