

Highlights of [GAO-11-672](#), a report to the Committee on Homeland Security and Governmental Affairs, U.S. Senate

Why GAO Did This Study

Civilian agencies obligated over \$135 billion in fiscal year 2010 for services—80 percent of total civilian spending on contracts. Services acquisitions have suffered from inadequate planning, which can put budget, schedule, and quality at risk.

GAO was asked to examine how civilian agencies conduct acquisition planning for services contracts and assessed (1) the extent to which agencies have developed policies and procedures for acquisition planning, (2) how agencies have carried out acquisition planning, and (3) the extent to which agencies' guidance identifies when to begin and how long acquisition planning should take.

GAO reviewed acquisition planning at the four civilian agencies with the most spending on professional, administrative, and management support services. GAO also reviewed Federal Acquisition Regulation (FAR) provisions; agency regulations and guidance; and 24 selected contracts; and interviewed agency officials.

What GAO Recommends

GAO recommends that USAID establish requirements for written acquisition plans and that each agency enhance guidance for cost estimating and lessons learned; DHS, NASA, and USAID concurred. GAO also recommends that each agency establish time frames for pre-solicitation activities. NASA and USAID generally concurred but DHS did not, noting that existing policy states that planning should begin as soon as a need is identified. GAO clarified its recommendation to emphasize pre-solicitation planning activities. HHS had no comments.

View [GAO-11-672](#) or key components. For more information, contact John Hutton at (202) 512-4841 or huttonj@gao.gov.

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ACQUISITION PLANNING

Opportunities to Build Strong Foundations for Better Services Contracts

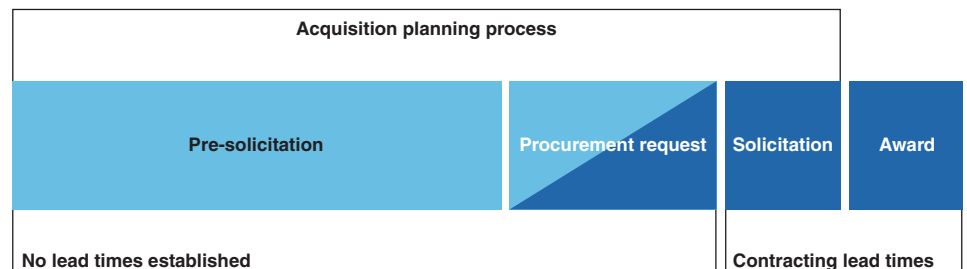
What GAO Found

The Departments of Health and Human Services (HHS) and Homeland Security (DHS), the National Aeronautics and Space Administration (NASA), and the U.S. Agency for International Development (USAID) have established policies that set different requirements and levels of oversight for acquisition planning. Acquisition planning elements—including written acquisition plans, requirements development, cost estimation, and incorporation of lessons learned—are critical to the process. HHS, DHS, and NASA require written acquisition plans that align closely with elements defined in the FAR—USAID does not. All four agencies' guidance include preparing cost estimates and requirements documents during acquisition planning, and DHS and NASA guidance include the consideration of lessons learned from previous contracts in acquisition planning. Agencies' requirements for oversight vary, including who reviews and approves acquisition planning documents.

Agencies did not always take full advantage of acquisition planning to develop a strong foundation for the contracts GAO reviewed, but some have identified ways to encourage improved acquisition planning. Key planning steps were not performed, could have been better used to improve acquisition planning, or were not documented for future use. In particular, GAO found that agencies faced challenges defining their needs, documented cost estimates to varying degrees, and documented lessons learned to a limited extent. GAO identified several practices agencies use to support program staff with acquisition planning, including hiring personnel who specialize in procurement business issues and cost and price analysis and providing templates to assist in preparing key documents.

Most agency components have established time frames for the last phase of acquisition planning—beginning when the program and contracting offices finalize a request for contract package. None of the agency components, however, have measured and provided guidance on the time frames needed for program offices to develop and obtain approvals of key acquisition planning documents during the pre-solicitation phase—which serves as the foundation for the acquisition process—or to finalize these documents in collaboration with contracting offices during the procurement request phase.

Time Measured for Acquisition Planning Phases



Source: GAO analysis of agency acquisition planning processes.