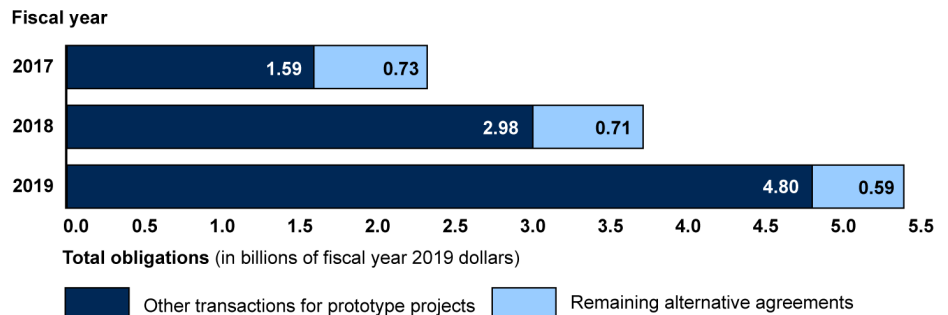**October 2020**

ARMY MODERNIZATION

Army Should Improve Use of Alternative Agreements and Approaches by Enhancing Oversight and Communication of Lessons Learned

Why GAO Did This Study

The Army annually invests billions of dollars in science and technology projects to support weapon systems modernization. These projects often involve the use of alternative agreements outside the Federal Acquisition Regulation. The Army also uses alternative approaches to reduce barriers to partnerships with industry and academia. In doing so, the Army has lessons learned available to it about, for example, the type of alternative agreement to use or how to better execute an alternative approach.

GAO was asked to review the Army's alternative agreements and approaches for modernization. This report examines the Army's use, oversight efforts, and lessons learned practices for alternative agreements and approaches.

GAO reviewed information about the Army's use and oversight of alternative agreements and approaches; compared applicable Army portfolio management and lessons learned activities to GAO's leading practices; and interviewed Army officials.

What GAO Recommends

GAO is making six recommendations to the Army, including that Army Futures Command regularly analyzes information on alternative agreement use to inform modernization decisions and that Army organizations demonstrate consistent, coordinated practices that support sharing of lessons learned information on alternative agreements and approaches. The Army concurred with all six recommendations.

View GAO-21-8. For more information, contact Jon Ludwigson at (202) 512-4841 or LudwigsonJ@gao.gov.

What GAO Found

In its effort to modernize weapon systems capabilities, the Army increasingly uses alternative agreements instead of Federal Acquisition Regulation-based contracts for research and development and has expanded the use of alternative approaches that engage industry and academia. The Army's use of these agreements and approaches provides flexibilities and reduces barriers to creating new partnerships. One type of alternative agreement—other transactions for prototype projects, which help evaluate the feasibility or utility of a technology—has driven the recent expansion in the overall use of alternative agreements to support Army modernization (see figure).

Army Alternative Agreement Obligations, Fiscal Years 2017-2019

Fiscal year

Fiscal year	Other transactions for prototype projects	Remaining alternative agreements
2017	1.59	0.73
2018	2.98	0.71
2019	4.80	0.59

Total obligations (in billions of fiscal year 2019 dollars)

Source: GAO analysis of Army data. | GAO-21-8

Army organizations use established processes to oversee alternative approaches and agreements. For alternative approaches, Army Futures Command—the Army's lead for requirements and technology development—demonstrates an awareness of how these activities support modernization through the command's role as senior leadership or as an active participant. For alternative agreements, Army Futures Command has not regularly analyzed the use of alternative agreements to gain insight on the distribution and trends in use. Such analysis could provide the command and other Army stakeholders in contracting and acquisition with improved information to help manage risks in decision-making for development and acquisition in support of modernization.

GAO found that Army organizations lack consistent, coordinated practices to identify and share lessons learned from entering into alternative agreements or executing alternative approaches. The use of consistent, coordinated lessons learned practices for alternative agreements can improve the processes leading up to an agreement by including more diverse perspectives and ensuring that lessons learned are not confined to a subset of organizations or officials involved in decision-making. In addition, improvements to the lessons learned practices used for the Army's alternative approaches would provide its personnel with increased access to what has worked well and what has not when interacting with industry and academia. Improved sharing of these lessons learned can help the Army more effectively engage with new partners in support of its modernization goals.

United States Government Accountability Office