



Highlights of [GAO-06-171](#), a report to the Subcommittee on Readiness and Management Support, Committee on Armed Services, U.S. Senate

## Why GAO Did This Study

Because of the importance of the Department of Defense's (DOD) adherence to disciplined information technology (IT) acquisition processes in successfully modernizing its business systems, GAO was asked to determine whether the Transportation Coordinators' Automated Information for Movements System II (TC-AIMS II) program is being managed according to important aspects of DOD's acquisition policies and guidance, as well as other relevant acquisition management best practices. TC-AIMS II was initiated in 1995 as a joint services system to help manage force and equipment movements within the United States and abroad. The U.S. Department of the Army has the lead responsibility for managing the system's acquisition and estimates its life-cycle cost to be \$1.7 billion over 25 years.

## What GAO Recommends

GAO is making recommendations to the Secretary of Defense to, among other things, develop the analytical basis needed to determine if continued investment in TC-AIMS II, as planned, represents prudent use of limited defense resources. In written comments on a draft of this report, DOD concurred or partially concurred with GAO's recommendations. It also described planned actions that are largely consistent with GAO's recommendations.

[www.gao.gov/cgi-bin/getrpt?GAO-06-171](http://www.gao.gov/cgi-bin/getrpt?GAO-06-171).

To view the full product, including the scope and methodology, click on the link above. For more information, contact Randolph C. Hite at (202) 512-3439 or [hiter@gao.gov](mailto:hiter@gao.gov).

# DOD SYSTEMS MODERNIZATION

## Uncertain Joint Use and Marginal Expected Value of Military Asset Deployment System Warrant Reassessment of Planned Investment

### What GAO Found

The Army has managed the TC-AIMS II program in accordance with some, but not all, key aspects of DOD's system acquisition management policies and related guidance. These policies and guidance are intended to reasonably ensure that investment in a given IT system represents the right solution to fill a mission need—and, if it does, that acquisition and deployment of the system are handled in a manner that maximizes the chances of delivering defined system capabilities on time and within budget. The Army has not managed the program in accordance with those DOD policies and related guidance, including related federal and other best practice guidance, that are intended to reasonably ensure that a proposed system is the right solution to meet mission needs. Specifically:

- The Army has not economically justified its investment in TC-AIMS II on the basis of reliable estimates of costs and benefits. For example, the most recent economic justification included cost and benefit estimates predicated on all four military services using the system. However, two services (U.S. Department of the Air Force and U.S. Marine Corps) have stated that they do not intend to use it.
- The Army has not invested in TC-AIMS II within the context of a well-defined enterprise architecture, which is an institutional blueprint to control program investment decisions in a way that promotes interoperability and reduces redundancy among systems. The Army has instead focused on aligning TC-AIMS II with its logistics architecture; this means that even though TC-AIMS II is intended to be a DOD-wide program, it has been based on a service-specific architecture rather than a DOD-wide architecture. As a result, it may not properly fit within departmentwide plans.

To its credit, the Army has largely managed the program in accordance with key policies and related guidance that are intended to reasonably ensure that the acquisition and deployment of a given system are handled in a manner that maximizes the chances of delivering defined capabilities on time and within budget. However, some aspects of this policy and guidance have not been followed. For example, the Army has not fully implemented risk management and has not adhered to a key feature of performance-based contracting.

Reasons the Army cited for not following policies and guidance ranged from management inattention to lack of training. As a result, the Army, among other things, does not know whether the system is the right solution. Until this uncertainty and the previously discussed problems are addressed, it will remain unclear whether further planned investment in TC-AIMS II is warranted, and certain aspects of the program's management will be limited.