WEAPONS ACQUISITION REFORM

Actions Needed to Address Systems Engineering and Developmental Testing Challenges

Why GAO Did This Study

For the past 2 years, the Department of Defense (DOD) has been implementing the Weapon Systems Acquisition Reform Act (Reform Act) requirements for systems engineering and developmental testing. These activities are important to DOD's ability to control acquisition costs, which increased by $135 billion over the past 2 years for 98 major defense acquisition programs.

GAO was asked to determine (1) DOD's progress in implementing the Reform Act's requirements and (2) whether there are challenges at the military service level that could affect their systems engineering and developmental testing activities. To do this, GAO analyzed implementation status documents, discussed developmental testing office concerns with current and former DOD officials, and analyzed military service workforce growth plans and test range funding data.

What GAO Recommends

GAO recommends that DOD assess the resources needed by the developmental test and evaluation office, develop a plan to implement the assessment, develop metrics to aid funding decisions, and report the effect budget cuts are having on the services' ability to meet program office needs. GAO also has a matter for congressional consideration. DOD concurred with two recommendations, and offered clarifying language, which GAO incorporated, on the other two recommendations for which DOD partially concurred.

What GAO Found

The new offices for systems engineering and developmental test and evaluation are continuing to make progress implementing Reform Act requirements. Since GAO's 2010 report on this topic, the Deputy Assistant Secretaries for Systems Engineering and Developmental Test and Evaluation have issued additional policies and guidance, assisted more weapons acquisition programs in the development of acquisition plans, and provided input to senior leaders at Defense Acquisition Board meetings. DOD also designated the Deputy Assistant Secretary for Developmental Test and Evaluation for concurrent service as the Director of the Test Resource Management Center. This was an optional Reform Act provision, which places oversight of testing resources and acquisition program developmental testing activities under one official. Despite these steps, the developmental test and evaluation office reports having difficulty covering its portfolio of about 250 defense acquisition programs with its current authorized staff of 63 people. Current and former testing officials believe the office needs more influence and resources to be effective, but they said thorough analysis has not been done to determine the appropriate office size. Further, according to the Deputy Assistant Secretary for Developmental Test and Evaluation, a statutory provision that designates the Test Resource Management Center as a field activity may limit his ability to achieve management and reporting efficiencies that could be obtained by combining or shifting resources between the two organizations. GAO has a matter for Congressional consideration to allow shifting resources between the Test Resource Management Center and the developmental test and evaluation office.

The military services are facing workforce challenges that could curb systems engineering and developmental testing efforts, if not properly addressed. The services planned to increase their systems engineering and test and evaluation career fields by about 5,000 people (14 percent) and about 300 people (4 percent), respectively, between fiscal years 2009 and 2015 through hiring actions and converting contractor positions to government positions. The services have increased the systems engineering career field by about half of its projections and exceeded its planned growth for the test and evaluation career field through the end of fiscal year 2010. However, future growth may be difficult because of budget cuts and a clarification in DOD's insourcing approach, which may make civilian hiring more difficult. For example, the services now plan to hire about 800 fewer systems engineers by 2015 than they originally projected. Further, cuts to development test ranges' fiscal year 2012 budgets of nearly $1.2 billion (17 percent) over the next 5 years could offset some of the workforce gains already achieved. Currently, the services lack metrics that could be used to justify funding levels, effectively allocate funding cuts, make workforce decisions, or make difficult decisions related to mothballing, closing, or consolidating test capabilities, if future budget cuts are necessary. To the extent DOD cannot provide adequate systems engineering and developmental testing support to its weapon systems portfolio, the risks of executing the portfolio within cost and schedule are increased.

_____ **United States Government Accountability Office**