

## Why GAO Did This Study

The Coast Guard manages a broad \$27 billion major acquisition portfolio intended to modernize its ships, aircraft, command and control systems, and other capabilities. GAO has reported extensively on the Coast Guard's significant acquisition challenges, including project challenges in its Deepwater program. GAO's prior work on the Coast Guard acquisition programs identified problems in costs, management, and oversight, but it also recognized several steps the Coast Guard has taken to improve acquisition management.

In response to the Coast Guard Authorization Act of 2010, GAO (1) assessed Coast Guard capabilities to manage its major acquisition programs, and (2) determined the extent to which the Coast Guard leverages Department of Defense (DOD) and other agency contracts or expertise to support its major acquisition programs.

GAO reviewed Department of Homeland Security (DHS) and Coast Guard acquisition documents, GAO and DHS Inspector General reports, and selected DOD contracts; and interviewed Coast Guard, DHS, and DOD officials.

## What GAO Recommends

GAO recommends that the Coast Guard take steps to ensure program staff have access to interagency agreements with DOD. DHS concurred with the recommendation.

View [GAO-11-480](#) or key components. For more information, contact John Hutton at (202) 512-4841 or [huttonj@gao.gov](mailto:huttonj@gao.gov).

## COAST GUARD

### Opportunities Exist to Further Improve Acquisition Management Capabilities

## What GAO Found

The Coast Guard continues to strengthen its acquisition management capabilities by updating acquisitions management policies and reducing acquisition workforce vacancies, but significant challenges remain. In November 2010, the Coast Guard updated its acquisition policy to further incorporate best practices and respond to prior GAO recommendations, such as aligning independent testing requirements with DHS policies and formalizing the Executive Oversight Council to review programs and provide oversight. Additionally, the Coast Guard reduced acquisition workforce vacancies from 20 to 13 percent from April to November 2010, but shortfalls persist in hiring staff for certain key areas such as systems engineers, and some programs continue to be affected by unfilled positions. While the Coast Guard has increased its acquisition management capabilities, most Coast Guard major acquisition programs have ongoing cost, schedule, or program execution risks. Additionally, unrealistic budget planning for the Coast Guard's acquisition portfolio exacerbates these challenges and will likely lead to more program cost and schedule issues. The Coast Guard has several actions under way to further improve acquisition policies and workforce shortfalls, as well as address budget planning issues, but it is too soon to tell whether the actions will be effective.

The Coast Guard leveraged DOD contracts to purchase products and services or to gain expertise in support of major acquisition programs. The Coast Guard has entered into approximately 81 memorandums of agreement and other arrangements primarily with DOD, which has experience and technical expertise in purchasing major equipment such as ships and aircraft, to support its major acquisition programs. Examples range from acquiring products and services from established DOD contracts to obtaining engineering and testing expertise from the Navy. According to the Coast Guard, leveraging DOD contracts has led to cost savings for Coast Guard acquisition programs. For instance, the Coast Guard received price discounts for C-130J aircraft by coordinating contracting efforts with the Air Force rather than contracting directly with the aircraft manufacturer. In another example, Coast Guard officials used Navy cost estimators and contracting staff in the November 2010 production contract for the National Security Cutter. At this point, Coast Guard program managers rely on informal contacts to learn about the agreements in place to support program activities, thus potentially limiting staff knowledge of DOD resources available. Coast Guard contracting officials only recently recognized the need to make DOD agreements available to program staff, but due to limited attention to this issue, only about 5 of the 81 agreements are currently accessible to program managers.