



Highlights of [GAO-08-467SP](#), a report to congressional committees

Why GAO Did This Study

This report is GAO’s sixth annual assessment of selected weapon programs. Since 2000, the Department of Defense (DOD) has roughly doubled its planned investment in new systems from \$790 billion to \$1.6 trillion in 2007, but acquisition outcomes in terms of cost and schedule have not improved. Total acquisition costs for major defense programs in the fiscal year 2007 portfolio have increased 26 percent from first estimates, compared with 6 percent in 2000. Programs have also often failed to deliver capabilities when promised. DOD’s acquisition outcomes appear increasingly suboptimal, a condition that needs to be corrected given the pressures faced by the department from other military and major nondiscretionary government demands.

This report provides congressional and DOD decision makers with an independent, knowledge-based assessment of defense programs, identifying potential risks when a program’s projected attainment of knowledge diverges from best practices. The programs assessed—most of which are considered major acquisitions by DOD—were selected using several factors: high dollar value, acquisition stage, and congressional interest. This report also highlights overall trends in DOD acquisition outcomes and issues raised by the cumulative experience of individual programs. GAO updates this report annually under the Comptroller General’s authority to conduct evaluations on his own initiative.

To view the full product, including the scope and methodology, click on [GAO-08-467SP](#). For more information, contact Michael Sullivan at (202) 512-4841 or SullivanM@gao.gov.

DEFENSE ACQUISITIONS

Assessments of Selected Weapon Programs

What GAO Found

Of the 72 programs GAO assessed this year, none of them had proceeded through system development meeting the best practices standards for mature technologies, stable design, or mature production processes by critical junctures of the program, each of which are essential for achieving planned cost, schedule, and performance outcomes. The absence of wide-spread adoption of knowledge-based acquisition processes by DOD continues to be a major contributor to this lack of maturity. Aside from these knowledge-based issues, GAO this year gathered data on four additional factors that have the potential to influence DOD’s ability to manage programs and improve outcomes—performance requirements changes, program manager tenure, reliance on nongovernmental personnel to help perform program office roles, and software management. GAO found that 63 percent of the programs had changed requirements once system development began, and also experienced significant program cost increases. Average tenure to date for program managers has been less than half of that called for by DOD policy. About 48 percent of DOD program office staff for programs GAO collected data from is composed of personnel outside of the government. Finally, roughly half the programs that provided GAO data experienced more than a 25 percent increase in the expected lines of software code since starting their respective system development programs.

In response to previous GAO recommendations and congressional direction, DOD has recently taken actions that could help move the department toward more sound, knowledge-based acquisition processes. For example, a new concept decision review initiative, guidance for determining acquisition approaches based on capability need dates, and the establishment of review boards to monitor weapon system configuration changes could enable department officials to make more informed decisions in the early stages of a program and better match program requirements and resources, a key first step. Improvements to individual program acquisition outcomes will likely hinge on the success of initiatives like these, paired with knowledge-based strategies.

Analysis of DOD Major Defense Acquisition Program Portfolios (fiscal year [FY] 2008 dollars)

	FY 2000 Portfolio	FY 2005 Portfolio	FY 2007 Portfolio
Portfolio size			
Number of programs	75	91	95
Total planned commitments	\$790 Billion	\$1.5 Trillion	\$1.6 Trillion
Commitments outstanding	\$380 Billion	\$887 Billion	\$858 Billion
Portfolio performance			
Change to total RDT&E costs from first estimate	27 percent	33 percent	40 percent
Change in total acquisition cost from first estimate	6 percent	18 percent	26 percent
Estimated total acquisition cost growth	\$42 Billion	\$202 Billion	\$295 Billion
Share of programs with 25 percent or more increase in program acquisition unit cost	37 percent	44 percent	44 percent
Average schedule delay in delivering initial capabilities	16 months	17 months	21 months

Source: GAO analysis of DOD data.