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INFORMATION TECHNOLOGY

Agencies Need to Establish Comprehensive Policies to Address Changes to Projects' Cost, Schedule, and Performance Goals





Highlights of [GAO-08-925](#), a report to congressional requesters

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Why GAO Did This Study

The federal government plans to spend about \$70 billion on information technology (IT) projects during fiscal year 2008. Consequently, it is important that projects be managed effectively to ensure that public resources are wisely invested. At times, a project's cost, schedule, and performance goals—known as its baseline—are modified to reflect changed development circumstances. These changes—called a rebaselining—can be done for valid reasons, but can also be used to mask cost overruns and schedule delays.

GAO was asked to (1) determine the extent of and the primary reasons for IT project rebaselining and (2) determine whether federal agencies have sound policies for rebaselining projects. To do this, GAO surveyed the managers of a random sample of 180 projects selected from the 778 major IT projects the 24 major agencies plan to invest in during fiscal year 2008. GAO also compared agencies' rebaselining policies to best practices.

What GAO Recommends

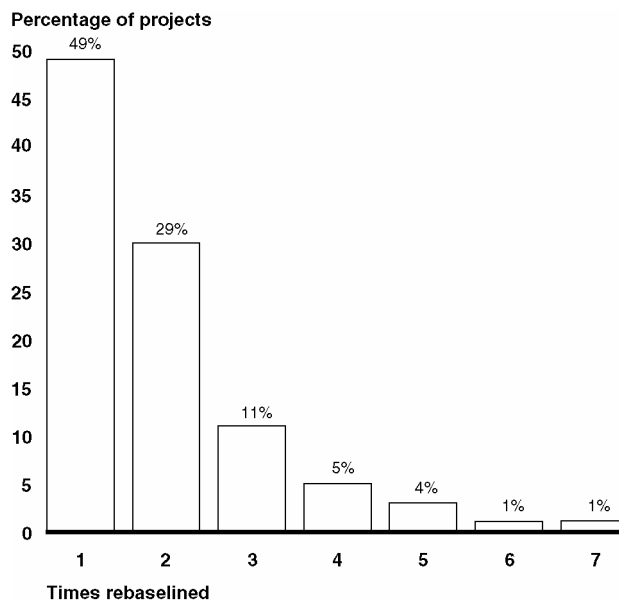
GAO is recommending that Office of Management and Budget issue guidance for rebaselining policies and that the major agencies develop policies that address identified weaknesses. Most of the agencies who commented on a draft of this report generally agreed with GAO's results and/or recommendations.

What GAO Found

Based on GAO's survey, approximately 48 percent of the federal government's major IT projects have been rebaselined, and projects are rebaselined for several reasons, including changes in project goals, changes in funding, or inaccurate original baselines. Of the rebaselined projects, 51 percent were rebaselined twice or more, and 11 percent were rebaselined 4 times or more (see figure). The most commonly cited reasons for rebaselining were changes in project requirements, objectives, or scope (55 percent of IT projects), and changes in funding stream (44 percent of IT projects).

While major agencies have all established rebaselining policies, these policies are not comprehensive. Specifically, none of the policies are fully consistent with best practices, such as describing a process for developing a new baseline. Agencies' policies vary in part because the Office of Management and Budget, which plays a key role in overseeing the federal government's IT investments and how they are managed, has not issued guidance specifying what elements these policies are to include. Without comprehensive policies to guide them, agencies may not be optimizing the effectiveness of rebaselining as a tool to improve performance management. In addition, their rebaselining processes may lack the transparency needed to ensure effective oversight.

Estimated Frequency of the Number of Times that Rebaselined Major IT Projects were Rebaselined



Source: GAO survey of major IT projects.

To view the full product, including the scope and methodology, click on [GAO-08-925](#). For more information, contact David A. Powner at (202) 512-9286 or pownerd@gao.gov.

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Abbreviations

DOD	Department of Defense
DOE	Department of Energy
FASA	Federal Acquisition Streamlining Act
IT	information technology
MD	Management Directive
NPOESS	National Polar-orbiting Operational Environment Satellite System
OMB	Office of Budget and Management
OPM	Office of Personnel Management

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United States Government Accountability Office
Washington, DC 20548

July 31, 2008

The Honorable Tom Carper
Chairman
The Honorable Tom Coburn, M.D.
Ranking Member
Subcommittee on Federal Financial Management,
Government Information, Federal Services, and
International Security
Committee on Homeland Security and
Governmental Affairs
United States Senate

The federal government plans to spend about \$70 billion on information technology (IT) projects during fiscal year 2008. Given the size of this investment, it is important that projects be managed effectively to ensure that public resources are wisely invested. Effectively managing projects involves pulling together essential cost, schedule, and performance goals in a meaningful, coherent fashion so that managers have an accurate view of the program's development status. At times these cost, schedule, and performance goals—known as a baseline—need to be modified to reflect new circumstances. While these changes—generally referred to as rebaselining—can be done for valid reasons, they can also be used to mask cost overruns and schedule delays.

As agreed with your staff, our objectives were to (1) determine the extent of and primary reasons for IT project rebaselining and (2) determine whether agencies have sound policies for rebaselining projects. To address these objectives, we sent a structured questionnaire to the 24 major federal agencies¹ asking them to provide rebaselining information on a random sample of 180 projects from the total of 778 major IT projects they expect to invest in during fiscal year 2008. We achieved a response rate of 99%.

¹The 24 major agencies are the Departments of Agriculture, Commerce, Defense, Education, Energy, Health and Human Services, Homeland Security, Housing and Urban Development, the Interior, Justice, Labor, State, Transportation, the Treasury, and Veterans Affairs; the Environmental Protection Agency, General Services Administration, National Aeronautics and Space Administration, National Science Foundation, Nuclear Regulatory Commission, Office of Personnel Management, Small Business Administration, Social Security Administration, and the U.S. Agency for International Development.

We also obtained rebaselining policies from each of the agencies and compared these policies to best practices identified in the *Cost Assessment Guide*.² Appendix I contains details about our objectives, scope, and methodology. Our work was performed between January and July 2008 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Results in Brief

Based on our survey, we estimate that about 48 percent³ of the federal government's major IT projects have been rebaselined and that projects are rebaselined for several reasons, including changes in project goals and changes in funding. Of those rebaselined projects, 51 percent were rebaselined at least twice and about 11 percent were rebaselined 4 times or more. The most commonly cited reason for rebaselining was changes in project requirements, objectives, or scope—55 percent.⁴ Another frequently cited reason was changes in funding stream—44 percent. Examples of rebaselined projects we have identified show that rebaselining can result in significant changes to projects' cost and schedule goals. The U.S. Coast Guard's *Rescue 21* system, for example, is projected to experience cost increases of 184 percent and schedule delays of 5 years after rebaselining.

While the major agencies have all established rebaselining policies, these policies are not comprehensive. Specifically, none of the policies were fully consistent with best practices, including describing a process for developing a new baseline and requiring the validation of the new baseline, identified in the *Cost Assessment Guide*. Agencies' policies vary in part because the Office of Management and Budget (OMB), which plays a key role in overseeing the federal government's IT investments and how they are managed, has not issued guidance specifying what elements these policies are to include. Without comprehensive policies to guide them,

²GAO, *Cost Assessment Guide: Best Practices for Estimating and Managing Program Costs, exposure draft*, [GAO-07-1134SP](#) (Washington, D.C.: July 2007).

³All percentage estimates based on our survey have 95 percent confidence intervals that are within +/- 11 percentage points of the estimate itself. See Appendix I for additional information on the sample design and sampling error.

⁴Agencies provided reasons for each project's most recent rebaseline.

agencies may not be optimizing the effectiveness of rebaselining as a tool to improve performance management. In addition, their rebaselining processes may not have the transparency needed to ensure effective oversight.

To address the weaknesses identified with agencies' rebaselining policies, we are recommending that the Director of OMB issue guidance for rebaselining policies that would include a minimum set of key elements. In doing so, the Director should consider the criteria used in our report. We are also recommending that the heads of the 24 major agencies direct the development of comprehensive rebaselining policies that address the weaknesses we identified.

We received comments on a draft of our report from 20 of the major agencies—4 of which stated that they had no comments. Of the remaining 16 agencies, 10 generally agreed with our findings and/or recommendations, and 6 disagreed with our assessment of certain practices associated with their rebaselining policies. The Departments of Commerce, Defense, Housing and Urban Development, and State, the National Aeronautics and Space Administration, the Department of Homeland Security, the U.S. Agency for International Development, the Environmental Protection Agency, and the General Services Administration provided written responses which are reprinted in appendices II through X.

Background

The federal government plans to spend about \$70 billion on IT projects during fiscal year 2008, the bulk of this amount on 778 major projects being developed by the 24 major agencies. Major projects are those investments that require special management attention because of their importance to an agency's mission or because they are an integral part of the agency's enterprise architecture, have significant program or policy implications, have high executive visibility, or are defined as major by the agency's capital planning and investment control process.⁵

Given the size and significance of the government's investment in IT, it is important that projects be managed effectively to ensure that public resources are wisely invested. Effectively managing projects entails, among other things, pulling together essential cost, schedule, and performance goals in a meaningful, coherent fashion so that managers

⁵Definition in OMB Circular A-11, Part 7, sec. 53.

have an accurate view of the program's development status. At times these cost, schedule, and performance goals—known as a baseline—need to be modified to reflect new circumstances. While these changes—generally referred to as rebaselining—can be done for valid reasons—including, for example, changes in a project's objectives, scope, requirements, or funding stream, they can also be used to mask cost overruns and schedule delays. The purpose of a rebaselining is to ensure that project managers have realistic benchmarks for tracking the status of the project.

OMB plays a key role in overseeing federal agencies' IT investments and how they are managed, stemming from its functions: to assist the President in overseeing the preparation of the federal budget and to supervise budget administration in Executive Branch agencies. In helping to formulate the President's spending plans, OMB evaluates the effectiveness of agency programs, policies, and procedures; assesses competing funding demands among agencies; and sets funding priorities. It also ensures that agency reports, rules, testimony, and proposed legislation are consistent with the President's budget and with administration policies. In carrying out these responsibilities, OMB depends on agencies to collect and report accurate and complete information; these activities depend, in turn, on agencies having effective IT management practices.

Laws and Guidance on Project Oversight Reference Rebaselining

The Office of Management and Budget's (OMB) Circular A-11 and its accompanying *Capital Programming Guide*⁶ establish guidance for implementing a disciplined capital programming process as well as techniques for planning and budgeting, acquisition, and management and disposition of capital assets for federal agencies. For major acquisitions (which includes major IT systems), OMB requires that the agency head approve or define the cost, schedule, and performance goals. OMB specifies that agencies are expected to achieve, on average, 90 percent of the cost, schedule and performance goals for major acquisitions. Further, OMB states that the Federal Acquisition Streamlining Act (FASA) of 1994 requires agency heads to review major acquisitions not achieving 90

⁶OMB, *Capital Programming Guide*, Supplement to OMB Circular A-11, Part 7, version 2.0, Planning, Budgeting, and Acquisition of Capital Assets, June 2006.

percent of their goals to determine whether there is a continuing need for them and what corrective action should be taken.⁷

OMB requires that all proposed changes to baselines be submitted to it prior to an agency's budget request (and that proposed changes should not be assumed to be approved). The information OMB requires of agencies includes costs and milestones from both the initial baseline as well as the current baseline (if the program has been rebaselined). It also asks agencies whether the investment was rebaselined during the past fiscal year and, if so, if it was approved by the agency head. The *Capital Programming Guide* also notes that OMB reviews the reasons for deviation from goals, the reasonableness of the corrective actions proposed, and the validity of increased cost estimates. The guide further states that OMB is to consider approving a rebaseline proposal only when the agency has provided justification based on an integrated baseline review,⁸ demonstrates that the new goals have a high probability of attainability, and shows that the acquisition will still have a benefit-cost ratio that justifies continued funding after comparing it with the other projects in the portfolio and considering budget limitations.

Staff from OMB's Office of E-government and Information Technology and the Acting Chief of OMB's Information Policy and Technology Branch told us that they review agencies' earned value management policies to determine their compliance with the provisions of the Presidential Management Agenda⁹ for E-government. They stated that, in reviewing

⁷These OMB requirements reflect provisions in FASA, codified at 41 U.S.C. § 263 for civilian agencies. A similar requirement in 10 U.S.C. § 2220 applied to the Department of Defense but was later amended to remove the 90 percent measure. The department has its own major program performance oversight requirements in Chapters 144 (Major Defense Acquisition Programs) and 144A (Major Automated Information System Programs) of title 10, U.S. Code, including the Nunn-McCurdy cost reporting process at 10 U.S.C. § 2433. Further, 40 U.S.C. § 11317 (formerly 40 U.S.C. § 1427) requires agencies to identify in their strategic information resources management plans any major information technology acquisition program, or phase or increment of that program, that has significantly deviated from cost, performance, or schedule goals established for the program.

⁸An integrated baseline review is an evaluation of a program's baseline plan to determine whether all program requirements have been addressed, risks have been identified, mitigation plans are in place, and available and planned resources are sufficient to complete the work.

⁹The President's Management Agenda is a program that was instituted in 2002 to improve the management and performance of the federal government. It addresses five governmentwide initiatives, including E-government, that agencies are supposed to implement to achieve improvements.

these policies, they determine whether rebaselining is adequately addressed.

In addition, the Department of Defense (DOD) has statutory requirements involving rebaselining. Each major defense acquisition program is required by statute to establish an approved program baseline before entering into the system development and demonstration phase of the acquisition cycle. The statute also requires DOD to prescribe regulations addressing the content of the baseline, reports of deviations from the baseline, procedures for reviewing such deviations within DOD, and procedures for submission to and approval by the Secretary of Defense of revised baselines. Another statute, known as Nunn-McCurdy (10 U.S.C. § 2433), requires the baseline to be used by DOD in reporting program cost growth while another statute (10 U.S.C. § 2432) requires the baseline to be used to report annually to Congress on program status in selected acquisition reports.

In a recent report on DOD acquisition program rebaselining,¹⁰ we found that then-existing reporting requirements provided limited oversight information to Congress because rebaselining shortens the period of performance that is reported and resets the measurement of cost growth to zero. We also stated that DOD did not report the cumulative unit cost growth that a program has experienced since the first full baseline was established. Further, DOD was not required to report programs' rebaselines to Congress, and the revised status of such programs was not expeditiously reflected in reports to Congress.

Subsequently, Congress revised the baseline statute to establish an "original baseline estimate" and the parameters for its revision.¹¹ The original baseline, along with the current baseline, is now required to be used in reporting program cost growth and in annual reporting of program status to Congress. Congress also recently established baseline requirements specifically for major DOD automated information systems in the John Warner National Defense Authorization Act for Fiscal Year 2007.¹² These requirements were effective January 1, 2008, and establish

¹⁰GAO, *Defense Acquisitions: Information for Congress on Performance of Major Programs Can Be More Complete, Timely, and Accessible*, GAO-05-182 (Washington, D.C.: March 2005).

¹¹National Defense Authorization Act for Fiscal Year 2006, Pub. L. No. 109-163, § 802(d), (Jan. 6, 2006), amending 10 U.S.C. § 2435.

¹²Pub. L. No. 109-364 § 816 (Oct. 17, 2006), adding a new chapter 144A to title 10 of the U.S. Code on major automated information system programs (10 U.S.C. §§ 2445a – 2445d).

the elements of a baseline for major DOD automated information system programs, to include:

- the development schedule, including major milestones;
- the implementation schedule, including estimates of milestone dates, initial operational capability, and full operational capability;
- estimates of development costs and full life-cycle costs; and
- a summary of key performance parameters.

The new statute requires that this information be included in DOD's budget justification documents and deems the initial submittal to Congress for each program to be the original baseline for that program. The statute then establishes procedures for reporting to Congress significant and critical changes to the program measured from the original baseline. If certain thresholds are crossed, DOD is required to certify the program to Congress, similar to the Nunn-McCurdy process mentioned above. The statute allows a rebaselining in the event of a critical change in the program and requires notification to Congress of such a change.

GAO Guide Includes Practices Applicable to Rebaselining

We also recently issued the draft *Cost Assessment Guide* on best practices for estimating and managing program costs¹³ which, among other things, discusses considerations for rebaselining programs. For example, the guide identifies key cost, schedule, project execution risk, and data accuracy indicators that can serve as warning signs that a program may need to be rebaselined. These indicators include: a significant difference between the estimated cost to complete and the budget for remaining work (cost); unrealistic activity durations (schedule); a risk management analysis that shows significant changes in risk levels (project execution risk); and frequent or significant current or retroactive changes (data accuracy). The guide also identifies best practices that are relevant to rebaselining policies. These practices are: (1) describing reasons when a rebaseline is warranted, (2) describing the process for developing a new baseline, (3) requiring validation of the new baseline, (4) requiring management review, and (5) requiring that decisions associated with the rebaselining process are documented. We have performed assessments at several agencies using this guide, including assessments of *National*

¹³[GAO-07-1134SP](#).

*Polar-orbiting Operational Environmental Satellite programs and the Federal Bureau of Investigation's Case Management System.*¹⁴

About Half of the Federal Government's Major IT Projects Have Been Rebaselined for Several Reasons

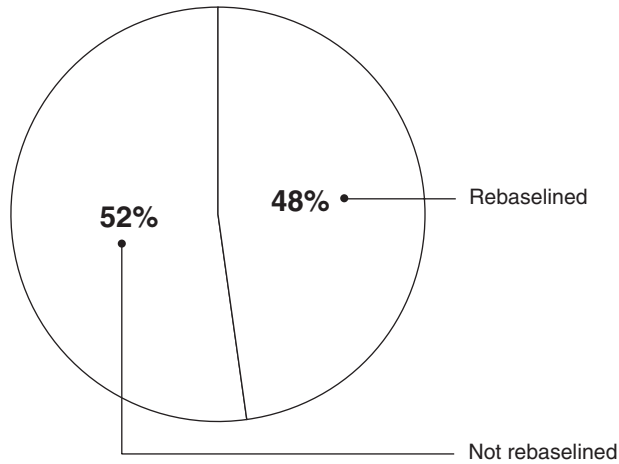
Based on our survey, an estimated 48 percent of the federal government's major IT projects have been rebaselined, and projects are rebaselined for several reasons, including changes in project goals and changes in funding. Of the rebaselined projects, about 51 percent were rebaselined two or more times and 9 were rebaselined 4 or more times. The most commonly cited reason for rebaselining was changes in project requirements, objectives, or scope—55 percent. Another frequently cited reason was changes in funding stream—44 percent. Examples of rebaselined projects we have identified show that rebaselining can result in significant changes to projects' cost and schedule goals. For example, the U.S. Coast Guard's *Rescue 21* system is projected to have cost increases of 184 percent and schedule delays of 5 years after rebaselining.

About Half of IT Projects Rebaselined

Our survey of 24 agencies' major IT projects funded for fiscal year 2008 indicates that 48 percent of these projects have been rebaselined and about half of those have been rebaselined at least twice. Figure 1 summarizes the percentage of projects rebaselined and figure 2 summarizes the estimated frequencies of the number of times rebaselined major IT projects were rebaselined.

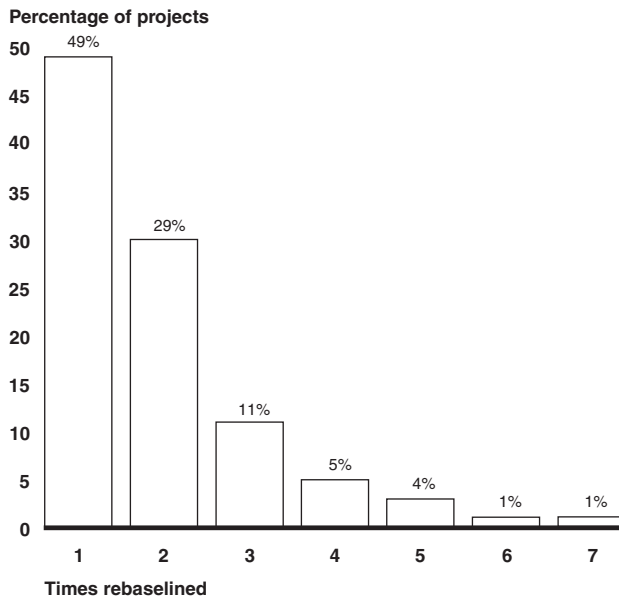
¹⁴GAO, *Polar-Orbiting Operational Environmental Satellites: Restructuring is Under Way, but Technical Challenges and Risks Remain*, [GAO-07-498](#) (Washington, D.C.: April 2007); GAO, *Information Technology: FBI Following a Number of Key Acquisition Practices on New Case Management System, but Improvements Still Needed*, [GAO-07-912](#) (Washington, D.C.: July 2007); GAO, *Chemical Demilitarization: Additional Management Actions Needed to Meet Key Performance Goals of DOD's Chemical Demilitarization Program*, [GAO-08-134](#) (Washington, D.C.: Dec. 2007); GAO, *Air Traffic Control: FAA Uses Earned Value Techniques to Help Manage Information Technology Acquisitions, but Needs to Clarify Policy and Strengthen Oversight*, [GAO-08-756](#) (Washington, D.C.: July 18, 2008); GAO, *Air Traffic Control: FAA Uses Earned Value Techniques to Help Manage Information Technology Acquisitions, but Needs to Clarify Policy and Strengthen Oversight*, [GAO-08-756](#) (Washington, D.C.: July 18, 2008).

Figure 1: Estimated Percentage of Major FY 2008 Funded IT Projects Rebaselined



Source: GAO survey of major IT projects.

Figure 2: Estimated Frequency of the Number of Times that Rebaselined Projects were Rebaselined



Source: GAO survey of major IT projects.

The detailed list of surveyed projects and the number of times agencies reported rebaselining them is found in appendix XI.

Table 1 lists the nine projects in our sample that agencies reported having been rebaselined four or more times.¹⁵

Table 1: Projects Rebaselined Four or More Times

Department	Project	Number of times rebaselined
Department of Defense	Advanced Field Artillery Tactical Data System	4
Department of Energy	Licensing Support Network	4
Department of Homeland Security	Coast Guard Rescue 21	4
Department of Housing and Urban Development	Integrated Human Resources and Training System	4
U.S. Department of Agriculture	Program Fund Control System	5
Department of Commerce	Patent and Trade Office Revenue and Account Management System	5
Department of Commerce	Commerce Business Environment	5
Department of Veterans Affairs	Health Admin Center IT Operations	6
Department of Housing and Urban Development	Tenant Rental Assistance Certification System	7

Source: GAO analysis of agency survey responses.

Changes in Goals and Funding Stream Reported as Primary Reasons for Rebaselining

Agency officials reported that the key reasons for the most recent rebaselinings were changes in project requirements, objectives, or scope, and changes in funding stream. Table 2 shows the estimated frequencies of each of these reasons.

¹⁵This lists only the projects in our sample that have been rebaselined at least four times. Additional projects in the full population of 778 major IT projects may also have been rebaselined at least four times.

Table 2: Estimated Frequency of Reasons for the Most Recent Rebaselining of Projects

Category of Reasons	Percentage of times reported
Change in project requirements, objectives, or scope	55%
Change in funding stream	44%
Original baseline was inaccurate	14%
Cost or schedule overruns due to project performance	4%
Cost or schedule overruns due to contractor performance	4%
Other	41%

Source: GAO analysis of agency survey responses.

Note: Percentages do not total 100 percent because multiple reasons could be provided for rebaselining projects.

Examples of projects that have been rebaselined for each of the agency-provided primary reasons include: the Bureau of Land Management’s *Automated Fluid Mineral Support System*, which, according to officials, was rebaselined in part due to changes in project requirements stemming from the Energy Policy Act of 2005; the Department of Veterans Affairs’ *My HealtheVet* program, which was rebaselined due to changes made in the project’s requirements, objectives, or scope in order to integrate newly available technology; the Environmental Protection Agency’s *Integrated Compliance Information System*, which was rebaselined in part because of funding constraints resulting from a continuing resolution from October 2006 through April 2007 that slowed down planned development; and the Office of Personal Management’s *USA Jobs*, which was rebaselined because changes in schedule and approved costs made the original baseline inaccurate. Appendix XI provides a detailed list of the reasons given for each rebaselined project.

Respondents to our survey also cited other reasons for rebaselining. For example, the Transportation Security Administration’s *Secure Flight* program was reportedly rebaselined in part due to additional requirements imposed to address congressional concerns about the security and privacy of personal data. The Department of Defense’s *Global Decision Support System* was reportedly rebaselined due to changed requirements resulting from recommendations of the Base Realignment and Closure Commission. Additionally, the Department of Agriculture’s *Resource Ordering and Status System* was reportedly rebaselined due to cost changes associated with changing economic conditions.

Several Rebaselined Projects Have Experienced Significant Cost and Schedule Changes

Several rebaselined projects we have performed detailed reviews of have experienced significant cost or schedule changes. For example, the U.S. Coast Guard's *Rescue 21* system is projected to have cost increases of 184 percent and schedule delays of 5 years after rebaselining. The following table provides additional examples of projects we have reviewed that experienced significant cost or schedule changes.

Table 3: Rebaselined Projects Cost and Schedule Changes (dollars in millions)

Project	Original cost	Cost after rebaseline(s)	Dollar change	Percent change	Original completion date	Completion date after rebaseline	Delay
National Polar-orbiting Operational Environmental Satellite System ^a	\$7000	\$12500	\$5500	79%	2018	2026	8 years
Navy Enterprise Resource Planning	\$1993	\$2445	\$452	23%	Jun. 2011	Aug. 2013	2.2 years
FAA Standard Terminal Automation Replacement System	\$940	\$2770	\$1830	195%	Oct. 2005	Dec. 2007	2.2 years
FAA Wide Area Augmentation System	\$1001	\$3340	\$2339	234%	Aug. 1999	Dec. 2008	9.3 years
US Coast Guard Rescue 21	\$250	\$711	\$461	184%	2006	2011	5 years

Source: GAO reports and agency data.

^aOnly a portion of this program's costs are included in the federal government's \$70 billion estimated IT expenditures for fiscal year 2008. The rest is not considered to be an IT investment.

Agencies' Rebaselining Policies Are Not Comprehensive

Although the 24 major agencies have rebaselined about half of the major IT projects that they plan to invest in during fiscal year 2008, they have not been guided by comprehensive rebaselining policies. Specifically, while major agencies have all established rebaselining policies, none of the policies are fully consistent with best practices such as *describing a process for developing a new baseline*.

Our recently issued draft *Cost Assessment Guide*¹⁶ includes five practices that are relevant to rebaselining policies:

1. *Describe reasons when a rebaseline is warranted.* A rebaselining policy should require valid reasons for rebaselining such as that the baseline is no longer useful as a management tool (e.g., cost/schedule variances are so high that they lose meaning; program scope has significantly changed).
2. *Describe the process for developing a new baseline.* A rebaselining policy should describe the development of a new cost estimate and a new project plan that details the scope of the remaining work along with schedule and resource allocation.
3. *Require validating the new baseline.* A rebaselining policy should identify who can validate the new baseline and how the validation is to be done.
4. *Require management review.* A rebaselining policy should identify the authority who decides whether the rebaselining is warranted and the rebaselining plan is acceptable. In addition, the policy should outline decision criteria used by the decision authority to determine if the rebaseline plan is acceptable.
5. *Require that the process is documented.* A rebaselining policy should identify and document rebaselining decisions, including the reasons for rebaselining; changes to the approved baseline cost, schedule, and scope; management review of the rebaseline request; and approval of new baseline. The policy should also require an explanation of why the current plan is no longer feasible, identify the problems that led to the need for a new plan of the remaining work, and discuss measures in place to prevent recurrence.

Our analysis shows that agencies do not have comprehensive rebaselining policies. Specifically, none of the agencies' rebaselining policies are fully consistent with all of the five practices mentioned above. Most policies fully or partially addressed describing reasons for rebaselining, requiring management review, and requiring that the rebaselining process be documented (79 percent, 96 percent, and 88 percent, respectively), while describing the process for developing the new baseline, and requiring validation of the new baseline were addressed the least (46 percent and 54

¹⁶[GAO-07-1134SP](#).

percent of the policies, respectively, did not address these practices). Table 4 summarizes our assessment of agencies' rebaselining policies and table 5 provides a detailed assessment by agency.

Table 4: Summary of Rebaselining Policy Assessment

Practice	Extent to Which Policy Addressed Best Practices		
	Number (and percent) of policies that fully addressed the practice	Number (and percent) of policies that partially addressed the practice	Number (and percent) of policies that did not address the practice
Describe reasons when a rebaseline is warranted	14 (58%)	5 (21%)	5 (21%)
Describe process for developing a new baseline	0 (0%)	13 (54%)	11 (46%)
Require validating the new baseline	5 (21%)	6 (25%)	13 (54%)
Require management review	9 (38%)	14 (58%)	1 (4%)
Require that the process is documented	6 (25%)	15 (63%)	3 (13%)

Source: GAO analysis of agencies' rebaselining policies.

Table 5: Extent to Which Agencies' Policies Are Consistent with Best Practices

Agency	Describe reasons when a rebaseline is warranted	Describe process for developing a new baseline	Require validating the new baseline	Require management review	Require that the process is documented
Agency for International Development	●	◐	●	●	◐
Agriculture	◐	○	○	◐	◐
Commerce	○	○	○	◐	◐
Defense	●	◐	●	◐	●
Homeland Security	○	○	○	○	○
Education	●	○	○	●	●
Energy	●	◐	●	◐	◐
Environmental Protection Agency	●	○	●	●	◐

Agency	Describe reasons when a rebaseline is warranted	Describe process for developing a new baseline	Require validating the new baseline	Require management review	Require that the process is documented
General Services Administration	●	◐	◑	●	●
Health and Human Services	◑	◑	◑	◐	◐
Housing and Urban Development	●	◑	◐	●	◐
Interior	◐	◐	◑	●	●
Justice	●	◑	◑	◐	◐
Labor	●	◑	◑	◐	◐
National Aeronautics and Space Administration	◐	◑	◐	◐	◐
Nuclear Regulatory Commission	◑	◑	◐	◐	◑
National Science Foundation	◑	◐	◑	◐	◑
Office of Personnel Management	◐	◐	●	◐	◐
Small Business Administration	●	◐	◑	◐	◐
Social Security Administration	●	◐	◐	◐	●
State	●	◐	◑	●	◐
Transportation	◐	◐	◐	●	◐
Treasury	●	◐	◐	◐	◐
Veteran Affairs	●	◐	◑	●	●

Legend: ● fully addressed ◐ partially addressed ◑ not addressed

Source: GAO analysis of agencies' rebaselining policies.

Note: A practice was determined to be fully addressed if the policy addressed all aspects of the practice, partially addressed if the policy only addressed some aspects of the practice, or not addressed if the policy did not address any aspect of the practice.

Agencies' policies vary in part because no guidance has been issued specifying what elements these policies are to include. As previously noted, OMB has issued guidance which, among other things, requires baseline change requests to be approved by the agency heads and

submitted to OMB for approval. However, this guidance does not specifically address how agencies are to implement their rebaselining activities, including the key elements that should be addressed in their policies. In addition, officials from OMB's Office of E-government and Information Technology and the Acting Chief of OMB's Information Policy and Technology Branch told us that, in their oversight function, they review agencies' earned value management policies, and in doing so determine whether these policies address rebaselining. However, they noted that they have not established specific criteria to evaluate the earned value management policies (and therefore their rebaselining aspects) and acknowledged that having such criteria would improve consistency among the policies and facilitate their oversight process.

Without comprehensive policies to guide their rebaselining activities, agencies may not be optimizing the effectiveness of rebaselining as a tool to improve performance management. In addition, their rebaselining processes may lack the transparency needed to ensure effective oversight.

Conclusions

Based on our sample of the federal government's major IT projects, an estimated 48 percent of these projects have been rebaselined, and, of these, a large number more than once. The frequency with which projects are rebaselined highlights the importance of sound policies to guide this process. However, agencies' rebaselining policies do not include several important elements of a comprehensive policy, and OMB has acknowledged that it has not established specific criteria to evaluate agencies' earned value management policies, which include rebaselining. Without specific and comprehensive policies, new baselines may be inaccurate and fail to provide the necessary transparency to agency officials, OMB, and other oversight organizations.

Recommendations

To address the weaknesses identified in agencies' rebaselining policies, we are making recommendations to the Director of OMB and to the 24 major agencies. Specifically, we recommend that

- the Director of OMB issue guidance for rebaselining policies that would include a minimum set of key elements, taking into consideration the criteria used in this report, and
- each of the heads of the 24 major agencies direct the development of comprehensive rebaselining policies that address the weaknesses we identified.

Agency Comments and Our Evaluation

We received comments on a draft of our report from 20 of the major agencies—four of which stated that they had no comments (the Departments of Agriculture, Education, Justice, and the Treasury). Of the remaining 16 agencies, 10 generally agreed with our results and/or recommendations, 6 disagreed with our assessment of their rebaselining policies and provided information which we have incorporated into the report as appropriate. Several of the agencies also provided technical comments which we incorporated as appropriate. We did not receive comments from the Departments of Health and Human Services, the Interior, and Veterans Affairs, or from the Small Business Administration, or the Office of Management and Budget.

The comments of the 10 agencies that generally agreed with our results and/or recommendations are summarized below:

- In written comments on a draft of the report, the Department of Commerce’s Chief Information Officer concurred that managing project baselines is key to the effective management of IT projects and stated that the department is revising its policy to ensure that it fully reflects the five practices that we cite in the report as relevant to rebaselining policies. The Department of Commerce’s written comments on a draft of this report are printed in appendix II.
- In written comments on a draft of our report, the Department of Defense’s Deputy Assistant Secretary for Command, Control, and Communication, and Intelligence, Surveillance, and Reconnaissance agreed with our findings and recommendations. The Department of Defense’s written comments on a draft of this report are printed in appendix III.

While the Departments of Commerce and Defense agreed with our findings and recommendations, both disagreed with our use of the National Polar-orbiting Operational Environmental Satellite System (NPOESS) as an example of a rebaselined IT project. NPOESS is jointly funded by the Department of Commerce and DOD. In its comments, the Department of Commerce stated that NPOESS is a space system acquisition and that it only considers a portion of the program—the ground segment—to be an IT system. The department also noted that, while the ground segment accounted for some of the cost and schedule changes associated with the program’s rebaselining effort, it did not experience the degree of cost and schedule issues that the NPOESS space segment did. In addition, in its comments, DOD stated that it does not consider NPOESS to be an IT system and that NPOESS—like other space-

based assets—is not reported in the Department’s IT budget. The department recommended that we remove NPOESS from the report. We acknowledge that the departments do not include the entire NPOESS program when reporting to OMB on their IT systems, and have modified the report to acknowledge this. Further, while we focused on IT systems for this report, OMB’s guidance governing rebaselining applies to all major acquisitions and therefore would include NPOESS regardless of how a department reports it to OMB.

- In written comments on a draft of the report, the Department of Housing and Urban Development’s Acting Chief Information Officer stated that the department is in agreement with the findings and recommendations. The Department of Housing and Urban Development’s written comments on a draft of this report are printed in appendix IV.
- In e-mail comments on a draft of this report, the Department of Labor’s Deputy Chief Information Officer stated that, as the department continues to mature its rebaselining policies and practices, it will reference practices identified in GAO’s *Cost Assessment Guide*.
- In written comments on a draft of the report, the Department of State’s Assistant Secretary for Resource Management and Chief Financial Officer stated that the department had already begun updating its IT rebaselining policies and would ensure that best practices were included in the update. The Department of State’s written comments on a draft of this report are printed in appendix V.
- In e-mail comments on a draft of this report, the Department of Transportation’s Director of Audit Relations stated, on behalf of the Office of the Chief Information Officer, that the department agrees that more comprehensive OMB guidance can help address agency inconsistencies with respect to rebaseline justifications and policy. In addition, the department stated that it agreed that each agency should take responsibility for developing its own comprehensive rebaselining policies.
- In written comments on a draft of the report, the National Aeronautics and Space Administration’s Deputy Administrator concurred with our recommendation. The National Aeronautics and Space Administration’s written comments on a draft of this report are printed in appendix VI.

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- In e-mail comments on a draft of the report, the Nuclear Regulatory Commission’s Chief Information Officer and Deputy Executive Director for Corporate Management stated that the agency agreed with the thrust of the recommendations.
 - In e-mail comments on a draft of this report, the National Science Foundation's Chief Information Officer stated that the agency plans to clarify its policy to address the specific areas of IT rebaselining cited in our report, in accordance with our recommendations.
 - In e-mail comments on a draft of the report, the Social Security Administration stated that the administration agreed with the report as written.

Specific comments and our responses from the six agencies that disagreed with our assessment of their rebaselining policies and provided information which we have incorporated into the report as appropriate follow:

- In e-mail comments on a draft of the report, the Department of Energy’s (DOE) Associate Chief Information Officer for IT Planning, Architecture, and E-government disagreed with our assessments of the department’s rebaselining policy for three practices—*describe the process for developing the new baseline*, *require management review*, and *require that the process is documented*—and provided references to its *DOE Manual 413 Project Management for the Acquisition of Capital Assets* and to three supplemental guides which we had not received before—*DOE Performance Baseline Guidance*, *DOE External Independent Review Standard Operating Procedures*, and *DOE Guidance for Developing Scheduling and Cost Baselines*—to support claims that the agency’s policy fully addresses these elements. After reviewing these documents, we changed two of our initial assessments.
- Specifically, for *describe the process for developing the new baseline*, we changed our assessment from a “not addressed” to a “partially addressed” in light of the fact that the documentation provided calls for a new cost estimate and a new project plan that details the scope of work remaining with schedule and resource allocation. We are not changing our “partially addressed” assessment for the *require management review* practice because, while DOE’s guidance identifies the authorities who are to decide whether the rebaselining is warranted and whether the rebaselining plan is acceptable, it does not outline the

criteria to be used in making these decisions. Regarding the *require that the process is documented* practice, while DOE's policy addresses the need for documentation and even includes a template that program managers must submit, it does not specifically require documentation of the reasons for rebaselining; changes to the approved baseline cost, schedule, and scope; and management review of the rebaseline request and approval of new baseline. It also does not call for documenting measures in place to prevent recurrence. The new documentation provided by DOE also provides additional information on *require validation of the new baseline* which changes our assessment of that practice from a "partially addressed" to a "fully addressed." We have adjusted the department's ratings in table 5 of our report according to our new assessments.

- In written comments on a draft of the report, the Department of Homeland Security's Director for the Departmental GAO/OIG Liaison Office disagreed with our assessment that none of the rebaselining practices were addressed in the department's policy and provided references to acquisition program baseline guidance that it believed fully addressed the practices. However, we did not reconsider our ratings because the department did not provide this guidance to us. In addition, when we requested the department's rebaselining policy in February, we were told that the department's Chief Information Officer was collaboratively working with the Chief Procurement Officer to re-engineer its investment review process currently codified in its *Management Directive (MD) 1400* policy document and that rebaselining would be addressed in this new policy. We were told that, as part of the *MD 1400* revision, the department would also be revising its acquisition program baseline guidance to address rebaselining. The Department of Homeland Security's written comments on a draft of this report are printed in appendix VII.
- In written comments on a draft of the report, the Agency for International Development's Senior Deputy Assistant Administrator for Bureau Management stated that he believed that the agency's policy and guidance fully address GAO's criteria, and provided specific documents to support this claim. When we initially reviewed the agency's rebaselining policy, it was in draft form and we therefore rated three out of the five practices as "partially addressed." We received the final policy and a document titled *Management Services ADS 577 - Information Technology Capital Planning and Investment Control*, which we had not received during our review. Based on our review of these documents, we determined *describe reasons when a rebaseline is warranted, require validating the new baseline*, and

require management review to be fully addressed. We also determined *describe process for developing a new baseline*, and *require that the process is documented* to be “partially addressed.” We have adjusted our ratings in the report accordingly. The Agency for International Development’s written comments on a draft of this report are printed in appendix VIII.

- In written comments on a draft of the report, the Environmental Protection Agency’s Assistant Administrator and Chief Information Officer agreed with GAO that government rebaselining policies should be constructed to optimize the effectiveness of rebaselining as a tool to improve performance management of IT projects. However, the Assistant Administrator disagreed with our assessment that their rebaselining policy does not address *require validating the new baseline* and only partially addresses *require that the process is documented* and provided specific references to its *EPA EVM Procedures* believed to fully address these practices. After reviewing these references, we determined that the policy fully addresses the first practice, and we adjusted the rating accordingly. However, we did not change our assessment of the second practice because the policy does not the require documenting reasons why the current plan is no longer feasible. The Environmental Protection Agency’s written comments on a draft of this report are printed in appendix IX.
- In written comments on the a draft of the report, the General Services Administration’s Acting Administrator partially agreed with our recommendation but stated he believed the administration rebaselining policy partially met the practice associated with *describing the process for developing a new baseline* and provided a reference in the *GSA Quarterly Control Review User Guide* which we analyzed during our review. We agree with this assessment and have adjusting our rating accordingly. The General Services Administration’s written comments on a draft of this report are printed in appendix X.
- In e-mail comments on a draft of this report, the Office of Personnel Management’s (OPM) Chief Information Officer stated that the agency disagreed with our ratings for three of the five practices used to assess its rebaselining policy. Specifically, the agency stated that (1) the rating for *describe the reasons when a rebaseline is warranted* should have been at least a “partially addressed” instead of a “not addressed,” (2) the rating for the *require management review* should have been “fully addressed” instead of “partially addressed,” and (3) the rating for *require that the process is documented* should be “fully addressed” instead of “partially addressed.” In addition, OPM provided references

to its *OPM Earned Value Management System Description* to support its claims. After reviewing the references, we are changing the rating for *describe the reasons when a rebaseline is warranted* to “partially addressed”: while OPM’s policy generally states that rebaselining should occur when analysis shows that the remaining budget is not adequate to complete the remaining work and provide for meaningful performance measurement, it does not provide specific reasons that would cause this condition (e.g., change in requirements). We have adjusted the report to reflect this change. We disagree, however, that any other rating should change. Specifically, while the earned value management policy specifies who is to review the rebaselining request, it does not identify the criteria to be used by the review authority to determine whether the rebaselining plan is acceptable, and the *require management review* rating should therefore remain as “partially addressed.” In addition, while the policy calls for documenting items such as the reasons for rebaselining and changes to the approved baseline cost, schedule, and scope, it does not call for documenting measures to prevent reoccurrence of the conditions that lead to the rebaselining. The *require that the process is documented* practice should therefore remain “partially addressed.”

We will be sending copies of this report to other interested congressional committees, the Director of the Office of Management and Budget, and other interested parties. We will also make copies available to others upon request. In addition, the report will be available at no charge on our Web site at <http://www.gao.gov>.

If you or your staffs have any questions on the matters discussed in this report, please contact me at (202) 512-9286 or by e-mail at pownerd@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made major contributions to this report are listed in appendix XII.



David A. Powner
Director, Information Technology Management Issues

Appendix I: Objectives, Scope, and Methodology

Our objectives were to determine (1) the extent of and primary reasons for IT project rebaselining; and (2) whether agencies have sound policies for rebaselining projects.

To determine the extent of and primary reasons for IT rebaselining, we sent a questionnaire to each of the managers of a random sample of 180 projects selected from the population of 778 major IT projects the 24 major agencies plan to fund in during fiscal year 2008. Our population list of 778 major projects was developed from the Office of Management and Budget's *Report on IT Spending for Fiscal Years 2007, 2008, and 2009* (this is generally referred to as the exhibit 53).

All of the survey results that appear in this report are estimates of characteristics of the major IT projects the 24 major federal agencies plan to invest in during fiscal year 2008. Our questionnaire gathered information on (a) whether the sampled project had been rebaselined, (b) the number of times the project had been rebaselined, and (c) reasons for the project's most recent rebaselining. We followed up with many agencies to ensure accuracy and completeness of the responses and obtained completed surveys for 178 of the 180 sampled projects, for an overall response rate of 99 percent.

Since our sample of IT projects is only one of a large number of samples that we might have drawn, and each sample could have provided different estimates, we express our confidence in the precision of our particular sample's results as a 95 percent confidence interval. This is the interval that would contain the actual population value for 95 percent of the samples we could have drawn. All proportion estimates from this sample used in this report have 95 percent confidence intervals of within plus or minus 11 percentage points, unless otherwise noted.

We also selected a sample of rebaselined projects we have previously reviewed for Congress to provide examples of the cost and schedule changes experienced by rebaselined projects. We selected projects for which original and new cost and schedule information was readily available.

To determine whether agencies have sound policies for rebaselining projects, we drew best practices from an exposure draft version of the *Cost Assessment Guide*.¹ While one section of the guide specifically

¹[GAO-07-1134SP](#).

addresses rebaselining, sections describing reliable processes for developing cost estimates were also relevant as rebaselining involves establishing new cost estimates. To validate the soundness of these criteria, we sought feedback from GAO cost estimating experts and others. The five best practices for rebaselining policies that we identified are: (1) describing reasons when a rebaseline is warranted, (2) describing processes for developing a new baseline, (3) requiring validation of the new baseline, (4) requiring management review, and (5) requiring that decisions associated with the rebaselining process are documented. We obtained agencies' rebaselining policies and determined whether they were consistent with the practices we identified. We determined a practice to be fully addressed if the policy addressed all aspects of the practice. We determined a practice to be partially addressed if the policy only addressed some aspects of the practice. We determined a practice to be not addressed if the policy did not address any aspect of the practice. We shared our assessments of the rebaselining policies with agencies and followed up with them to identify additional documentation to address the weaknesses we identified.

During our review, we also interviewed staff from the Office of Management and Budget's Office of E-government and Information Technology and the Acting Chief for the Information Policy and Technology Branch, to understand their role in guiding and overseeing agencies' rebaselining activities.

We conducted this performance audit in Washington, D.C., from January 2008 to July 2008, in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Appendix II: Comments from the Department of Commerce



UNITED STATES DEPARTMENT OF COMMERCE
Chief Information Officer
Washington, D.C. 20230

JUL 23 2008

Mr. David A. Powner
Director, Information Technology Management Issues
U.S. Government Accountability Office
441 G Street, N.W.
Washington, D.C. 20548

Dear Mr. Powner:

Thank you for the opportunity to review the General Accountability Office's (GAO) draft report entitled *INFORMATION TECHNOLOGY: Agencies Need to Establish Comprehensive Policies to Address Changes to Projects' Cost, Schedule, and Performance Goals (GAO-08-925)*.

We concur that it is important that information technology projects be managed effectively to ensure that public resources are wisely invested and that managing project baselines is key to that effort. To this end, the Department of Commerce has in place an Information Technology (IT) Investment Performance Management Policy, which addresses cost, schedule, and performance baselines. We are revising that policy to ensure that it fully reflects the five practices that GAO cites in the report as relevant to rebaselining policies.

The draft report highlights the National Polar Orbiting Environmental Satellite System (NPOESS) on pages 3, 9, and 10 as an example of how rebaselining can result in significant changes to a project's cost and schedule goals. No other project in the report is so highlighted. Because the report focuses on the rebaselining of IT projects, it should not highlight NPOESS as an example of a rebaselined IT project. The final report should not include references to NPOESS cost growth and schedule slippage because they refer to the space segment and not the NPOESS IT component and thus are highly misleading. The reader would erroneously conclude that NPOESS is an example of an IT project that experienced significant cost growth and schedule slippage.

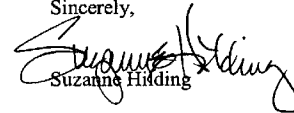
NPOESS, reported in many GAO space program evaluations, is a space system acquisition. NPOESS has a major IT component, the ground segment, the rebaselining of which NOAA reported to GAO in completing the GAO survey used as the basis for the draft report. However, this IT system, or ground segment, has not experienced the degree of cost and schedule issues associated with the NPOESS space segment. The GAO report *Polar-Orbiting Operational Environmental Satellites (GAO-07-498)* cited in the subject draft report noted, "Development of the ground segment—which includes the interface data processing system, the ground stations that are to receive satellite data, and the ground-based command, control, and communications system—is under way and on track." Rebaselining of the ground system did occur, driven by changes in the overall program. However, ground system rebaselining accounted for only 12% of total program

**Appendix II: Comments from the Department
of Commerce**

rebaselining cost growth. The ground system schedule slipped three years (vs. eight for total program rebaselining) and was delivered ahead of the operational need.

The draft report draws a distinction between the guidance covering rebaselining of major defense acquisitions (the Nunn-McCurdy statute) and a more recent requirement governing Department of Defense major automated information system programs (the John Warner National Defense Authorization Act for Fiscal Year 2007). That the NPOESS space segment drove a rebaselining under Nunn-McCurdy is another reason why that rebaselining should not be associated with IT project management.

Sincerely,



Suzanne Hiding

Appendix III: Comments from the Department of Defense



NETWORKS AND
INFORMATION
INTEGRATION

OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE
6000 DEFENSE PENTAGON
WASHINGTON, D.C. 20301-6000


July 25, 2008

Mr. David A. Powner
Director
Information Technology Management Issues
U.S. Government Accountability Office
Washington, DC 20548

Dear Mr. Powner:

Thank you for the opportunity to comment on the GAO Draft Report, GAO-08-925, "INFORMATION TECHNOLOGY: Agencies Need to Establish Comprehensive Policies to Address Changes to Projects' Cost, Schedule, and Performance Goals". I concur with the overall findings of the report and enclosed general comments on the report as well as comments to your specific recommendations.

Sincerely,


Timothy J. Hatp
Deputy Assistant Secretary of Defense
(C3ISR & IT Acquisition)

Enclosure:
As stated



Appendix IV: Comments from the Department of Housing and Urban Development



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-3000

OFFICE OF CHIEF INFORMATION OFFICER

JUL 24 2008

Mr. David A. Powner
Director, Information Technology Management Issues
U. S. Government Accountability Office
441 G. Street, N.W.
Washington, DC 20548

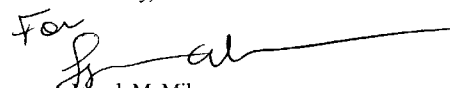
Dear Mr. Powner:

This letter is in response to the United States Government Accountability Office (GAO) draft Report issued on July 10, 2008 entitled Information Technology: Agencies Need to Establish Comprehensive Policies to Address Changes to Projects' Cost, Schedule, and Performance Goals (GAO-08-925).

The Department of Housing and Urban Development (DHUD) is in agreement with the findings and recommendations identified in this report. GAO's main recommendation is for the Office of Management and Budget (OMB) to issue guidance, and for agencies to "direct the development of comprehensive rebaselining policies" to address areas of weakness identified in the report. Rebaselining is an issue that we are well aware of and according to the draft report HUD appears to be above average compared to other agencies' rebaselining policies. The Office of the Chief Information Officer (OCIO) is already actively planning to improve the Department's rebaselining processes as well as strengthen those practices where further improvements can be made.

We thank you for the opportunity to review and comment on the draft report and look forward in receiving the final document. In the interim, if you or your staff should have any questions, please contact Shelia Fitzgerald, Acting Director, Investment Strategy Policy and Management at 202-402-2432 or Wanda Taylor, Audit Liaison at 202-402-8085.

Sincerely,


Joseph M. Milazzo
Acting Chief Information Officer

Appendix V: Comments from the Department of State



United States Department of State

*Assistant Secretary for Resource Management
and Chief Financial Officer*

Washington, D.C. 20520

Ms. Jacquelyn Williams-Bridgers
Managing Director
International Affairs and Trade
Government Accountability Office
441 G Street, N.W.
Washington, D.C. 20548-0001

JUL 24 2008

Dear Ms. Williams-Bridgers:

We appreciate the opportunity to review your draft report, "INFORMATION TECHNOLOGY: Agencies Need to Establish Comprehensive Policies to Address Changes to Projects' Cost, Schedule, and Performance Goals," GAO Job Code 310867.

The enclosed Department of State comments are provided for incorporation with this letter as an appendix to the final report.

If you have any questions concerning this response, please contact Frank Bowers, Information Technology Specialist, Bureau of Information Resource Management at (202) 453-8743.

Sincerely,

A handwritten signature in black ink, appearing to read "B. Higgins".

Bradford R. Higgins

cc: GAO – Sabine Paul
IRM – Susan Swart
State/OIG – Mark Duda

Department of State Comments on GAO Draft Report

INFORMATION TECHNOLOGY: Agencies Need to Establish
Comprehensive Policies to Address Changes to Projects' Cost, Schedule,
and Performance Goals
(GAO-08-925, GAO Code 310867)

The Department of State appreciates the opportunity to comment on GAO's draft report "*Information Technology: Agencies Need to Establish Comprehensive Policies to Address Changes to Projects' Cost, Schedule, and Performance Goals.*"

Recommendations:

1. provide a fuller description of the process for developing a new baseline;
2. identify who can validate the new baseline and how the validation is to be done; and
3. provide a fuller identification and documentation of rebaselining decisions.

State Response:

The Department of State has already begun updating the Information Technology (IT) rebaselining policies to fully describe the process for new baseline development, validation by whom and how the new baseline will be accomplished, and more fully identify and document rebaselining decisions. The Department will ensure that the GAO Cost Assessment Guide's practices related to baseline policies are included in these updates.

Appendix VI: Comments from the National Aeronautics and Space Administration

National Aeronautics and Space Administration
Office of the Administrator
Washington, DC 20546-0001



July 22, 2008

Mr. David A. Powner
Director, Information Technology Management Issues
United States Government Accountability Office
Washington, DC 20548

Dear Mr. Powner:

Thank you for the opportunity to review and comment on the draft report entitled, "INFORMATION TECHNOLOGY: Agencies Need to Establish Comprehensive Policies to Address Changes to Projects' Cost, Schedule, and Performance Goals" (GAO-08-925), dated July 10, 2008. I appreciate the Government Accountability Office's (GAO) interest in ensuring changes to cost, schedule, and performance goals of information technology projects are made with appropriate transparency and oversight. This is fully consistent with current NASA efforts to implement more effective information technology governance and supporting policies.

In the draft report, GAO made two recommendations regarding the development of guidance and policies for rebaselining, one of which was addressed to NASA as well as 23 other major agencies.

Recommendation 2: Each of the heads of the 24 major agencies direct the development of comprehensive rebaselining policies that address the weaknesses we identified.

Response: NASA concurs with this recommendation. NASA will ensure that Agency policies for information technology program and project management include a comprehensive rebaselining policy that describes reasons when a rebaseline is warranted, describes the process for developing a new baseline, requires validating the new baseline, requires management review, and requires that the process is documented.

My point of contact for this matter is Gary Cox, Associate Chief Information Officer for Policy and Investments. He may be contacted by e-mail at gary.cox-1@nasa.gov or by telephone at (202) 358-0413.

Sincerely,

A handwritten signature in black ink, appearing to read "Shana Dale".

Shana Dale
Deputy Administrator

Appendix VII: Comments from the Department of Homeland Security

U.S. Department of Homeland Security
Washington, DC 20528



**Homeland
Security**

July 24, 2008

Mr. David A. Powner
Director
Information Technology Management Issues
U.S. Government Accountability Office
441 G Street, NW
Washington, DC 20548

Dear Mr. Powner:

Thank you for the opportunity to review and comment on the Government Accountability Office's (GAO's) draft report GAO-08-925 entitled *INFORMATION TECHNOLOGY: Agencies Need to Establish Comprehensive Policies to Address Changes to Projects' Cost, Schedule, and Performance Goals*. The draft report cites the Department of Homeland Security (DHS) as lacking sound policies for rebaselining projects. Table 5: Extent to Which Agencies' Policies Are Consistent with Best Practices depicts each of the best practices as "not addressed" by DHS. The legend for the table notes that "not addressed" is if the policy did not address any aspect of the practice. However, DHS's current APB guidance for rebaselining (also referred to within the Department as remediation of cost, schedule, and performance breaches) aligns with these best practices. DHS requests that the assigned ratings be revisited upon review of this response.

The DHS APB breach process is aligned with the best practices cited by GAO, though cited in the GAO report as not having addressed any of the five areas: (1) Describe reasons when a rebaseline is warranted; (2) Describe process for developing a new baseline; (3) Require validating the new process; (4) Require management review; (5) Require that the process is documented. The Department's APB Guidance at a minimum partially addresses all of these areas. DHS is in the process of establishing a comprehensive rebaselining policy and on April 4, 2008, an official memorandum describing the Acquisition Program Baseline (APB) process was released. The memo was accompanied by a comprehensive guidance document for APBs. This includes guidance on breaches, defined by DHS as the conditions requiring a program to rebaseline.

The DHS guidance on APB rebaselining cites similar reasons for a program to consider rebaselining (referred to as "warning signs" in the GAO report), including:

- An indication of not meeting key performance parameters;
- Estimated cost not equaling the budget required for the remaining work, particularly, program cost increases greater than or equal to 8% are required to be brought to management's attention immediately;
- Unrealistic activity durations resulting in schedule milestones not being met.

www.dhs.gov

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The Department has in place policy/guidance that addresses the requirements noted in GAO's recommended rebaselining practices. The specific DHS approaches to each of these practice areas are outlined below:

1. Describe reasons why a rebaseline is warranted. The APB guidance describes the requirements for rebaselining as any breach of performance, schedule, or cost. An APB breach of performance or schedule is defined as failure to meet the Threshold value of the specific parameter. An APB cost breach is defined as cumulative program cost increases greater than or equal to 8% from the approved cost baseline. Breaches to the APB can be driven by multiple causes, many of which are fact-of life changes in requirements, resources or schedule that are beyond the Program Manager's / Component's control.

Additionally, DHS currently monitors program APBs and is headed towards improved oversight and management of program baselines through a monthly periodic reporting process that takes into account project level information. The intent is to be alerted sooner rather than later in those instances that a program is headed towards a breach. The Department is diligently conducting APB reviews to determine whether programs are meeting cost, schedule, and performance objectives. Any program breach in cost, schedule or program objectives triggers a comprehensive APB review. Component leadership works with the program manager to develop and submit a remediation plan, which includes an approach to rebaselining (as defined in the GAO report), to submit to the Department. The APB is a living document that includes an audit trail for any changes made to the baselines and serves as the contract between the program and the Department. A remediation plan for the APB must be submitted within 30 days of the breach notification.

2. Describe the process for developing a new baseline. The process for addressing a breach which will require a rebaseline is described in the APB Guide and specific policy surrounding the development of a new cost estimate fully aligns with GAO's cost estimation methods. The Department has adopted the draft GAO Cost Assessment Guide as its guidance for developing new cost estimates.

According to the APB Guide, if a program breaches an approved APB parameter threshold, (or the Program Manager determines that the program will so breach in the near future), the Program Manager must promptly notify the Component leadership and MDA via a formal memo. The Program Manager must submit (1) a remediation plan both explaining circumstances of the breach and proposing corrective action within 30 days of breach notification and (2) if required, a revised APB for MDA approval within 90 days of breach notification. The program is required to provide the justification for rebaselining in the recovery plan.

3. Require validating the new baseline. Several safeguards are in place to validate new baselines for DHS programs. The Component's Review Authority serves as the initial reviewer and must validate the changes made by the Program Manager before submitting to the Department. Additionally, the Enterprise Architecture Board (EAB) must validate the changes made prior to submitting for management review. The CPO, CFO, CIO,

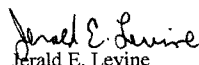
CAO, collectively known as the CXOs (report to USM) can require independent government cost estimates for further validation. DHS' Investment Review Board (IRB) is another layer of oversight and management that validates the information provided by programs when rebaselining.

4. Require management review. DHS clearly delineates in its APB Guide that an Acquisition Decision Memo (ADM) signed by the Milestone Decision Authority (usually the Deputy Secretary or his designee) must decide whether the rebaselining is warranted and the rebaselining plan is acceptable. Programs must also undergo a review by the Investment Review Board prior to having a rebaselined APB approved. Also, the Department's Management Directive 0007.1 defines approval authorities for IT programs. The Directive institutionalizes the Enterprise Architecture Board responsible for validating the requirements within the APBs and any changes to the APBs based on reviews of program performance and alignment with enterprise architecture.

5. Require that the process is documented. The APB is a living document that keeps record of all changes or adjustments made to the program's plan. Efforts are underway to automate the management and oversight of APBs within the Department's new Periodic Reporting System to ensure appropriate controls are in place and that an audit trail is available and visible to leadership. The system will also record date of review, reviewer, justification for changes, decision made, approval authority, and track progress towards obtaining approval, etc. The system will provide workflow support from the time an APB is first developed, through the management of the program against the baselines. The system will have a record of all decisions, changes, updates, made to the APB.

Thank you again for the opportunity to comment on this draft report and we look forward to working with you on further homeland security issues.

Sincerely,



Gerald E. Levine
Director
Departmental GAO/OIG Liaison Office

Appendix VIII: Comments from the Agency for International Development



USAID
FROM THE AMERICAN PEOPLE

JUL 24 2008

Mr. David A. Powner
Director
Information Technology Management Issues
U.S. Government Accountability Office
441 G Street, N.W.
Washington, D.C. 20548

Dear Mr. Powner:

I am pleased to provide the U.S. Agency for International Development's (USAID) formal response on the draft GAO report entitled "*Information Technology: Agencies Need to Establish Comprehensive Policies to Address Changes to Projects' Cost, Schedule and Performance Goals*" (GAO-08-925).

We agree with GAO's premise that baseline control is a critical component of project management, which is why our policy and supporting project guidance documents address how a project must establish, review and obtain approval for baseline changes. We believe that USAID policy and guidance fully address GAO's criteria, and have provided specific document and section references in the enclosed table.

Thank you for the opportunity to respond to the GAO draft report and for the courtesies extended by your staff in the conduct of this review.

Sincerely,

A handwritten signature in black ink that reads "Drew W. Luten".

Drew W. Luten
Senior Deputy Assistant Administrator
Bureau for Management

Enclosure:
Reference Page GAO-08-925 Draft Report 17, Table 5

U.S. Agency for International Development
1300 Pennsylvania Avenue, NW
Washington, DC 20523
www.usaid.gov

Appendix IX: Comments from the Environmental Protection Agency



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

JUL 24 2008

OFFICE OF
ENVIRONMENTAL INFORMATION

Mr. David Powner
Director
IT Management Issues
United States Government Accountability Office
Washington, DC 20548

2008 JUL 25 AM 10:03
US GAO

Dear Mr. Powner:

The U.S. Environmental Protection Agency (EPA) appreciates the opportunity to provide comments on the General Accountability Office (GAO) draft report, "Information Technology (IT): Agencies Need to Establish Comprehensive Policies to Address Changes in Projects' Cost, Schedule, and Performance Goals" (GAO-08-925) (Engagement 310867).

EPA agrees with GAO that government re-baselining policies should be constructed to optimize the effectiveness of re-baselining as a tool to improve performance management of IT projects. We further agree with GAO's assessment that the Agency's re-baselining policy, which is included in "EPA's Earned Value Management (EVM) Procedures," is consistent with GAO's best practices with regard to "Describe reasons when a re-baseline is warranted" and "Require management review," and that our policy could be improved with regard to "Describe the process for developing a new baseline."

We do not agree, however, with GAO's assessment that EPA's re-baselining policy does not address "Require validating the new baseline." On page 5 in Section 6.1.2, "Integrated Baseline Reviews," of "EPA's EVM Procedures," we state that "The Integrated Baseline Reviews must occur before development/modernization/enhancement (DME) starts and before any re-baseline request is sent to the Office of Management and Budget (OMB)." The key purpose of an Integrated Baseline Review is to validate the baseline, as required by GAO's best practice. A copy of EPA's EVM Procedures is enclosed.

We also do not agree with GAO's assessment that EPA's re-baselining policy only partially addresses "Require that the process is documented." On page 12 in Section 6.3, "Baseline Change Control Process," of "EPA's EVM Procedures," we state that the documentation required for review and approval of a re-baselining is "Precise

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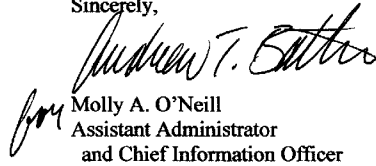
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justification, Revised milestones with new cost and schedule goals, and Revised Summary of Spending table of the proposed schedule." On page 11 of that same section, we state that "All re-baseline change requests are reviewed and approved by the Senior Information Official (SIO) for the requesting office, and the Information Investment Subcommittee (IIS) [made up of EPA's senior managers] before being submitted to OMB." These requirements go directly to GAO's description of best practice documentation of re-baselining requests.

Although we believe our re-baselining policy is more robust than the level assessed by GAO, we agree it could be enhanced, and intend to improve it to more fully address GAO's recommendations when OMB issues the needed guidance GAO recommends.

If you have questions about the Agency's response please contact Odelia Funke, Director of EPA's Mission Investment Solutions Division, at 202-566-0667, or at funke.odelia@epa.gov.

Sincerely,


Molly A. O'Neill
Assistant Administrator
and Chief Information Officer

Enclosure

Appendix X: Comments from the General Services Administration



GSA Administration

July 24, 2008

The Honorable Gene L. Dodaro
Acting Comptroller General of the United States
Government Accountability Office
Washington, DC 20548

Dear Mr. Dodaro:

The General Services Administration (GSA) appreciates the opportunity to review and comment on the draft report, "Information Technology: Agencies Need to Establish Comprehensive Policies to Address Changes to Projects' Cost, Schedule, and Performance Goals" (GAO-08-925). The Government Accountability Office recommends that GSA address the weaknesses identified with rebaselining policies.

We partially agree with the findings and recommendations. Technical comments that update and clarify statements in the draft report are enclosed and incorporated herein by reference.

If you have any questions, please contact me. Staff inquiries can be directed to Mr. Kevin Messner, Associate Administrator, Office of Congressional and Intergovernmental Affairs, at (202) 501-0563.

Sincerely,

A handwritten signature in black ink that reads "David L. Bibb".

David L. Bibb
Acting Administrator

Enclosure

cc:

Mr. David A. Powner, Director Information Technology Issues

U.S. General Services Administration
1800 F Street, N.W.
Washington, DC 20405-0001
www.gsa.gov

Government Accountability Office (GAO) Draft Report INFORMATION
TECHNOLOGY: Agencies Need to Establish Comprehensive Policies to Address
Changes to Projects' Cost, Schedule, and Performance Goals
GAO-08-925 – Dated July 2008
General Services Administration
Comments to the Recommendations

Recommendation 1: GAO recommends that the Director of OMB issue guidance for rebaselining policies that would include a minimum set of key elements, taking into consideration the criteria used in this report.

Recommendation 2: GAO recommends that the Acting Administrator direct the development of comprehensive rebaselining policies that address the weaknesses identified.

GSA Response: Partially concurs with recommendation. GAO should specify that OMB rebaseline policies be developed before agency rebaseline policies. This would avoid agency rebaselining policies being potentially inconsistent with OMB's policies.

Additionally, GSA believes that based on information provided in GSA's Quarterly Control Review User Guide – FY2008 Guidance, rebaselining practice #2 is partially met. As a result, GSA respectfully requests GAO to make appropriate correction to Table 5 in the final report.

Appendix XI: Surveyed Projects with Number of Times Rebaselined and Reasons for Most Recent Rebaseline

Table 6: Number of Times Each Project was Rebaselined and Reasons for Most Recent Rebaseline

Agency	Project	Times rebaselined	Reasons					
			Project performance	Contractor performance	Original baseline inaccurate	Change in requirements	Change in funding Stream	Other
Department of Homeland Security	ICE (FFMS)	0						
	FEMA - Integrated Financial Management Information System	0						
	USCIS - Integrated Document Production	0						
	CBP - Automated Targeting System Maintenance	0						
	CBP - Traveler Enforcement Compliance System - Modernization	0						
	CBP (WHTI)	0						
	Secure Flight	2	X				X	X
	Alien Flight Student Program	0						
	United States Visitor and Immigrant Status Indicator Technology	0						
	FAMS Air to Ground Communications System and Tactical Information Sharing System	0						
	NPPD - IICP - Infrastructure Information Collection Program	0						
	NPPD - Integrated Common Analytical Viewer	1			X	X		
	Rescue 21	4	X	X			X	
	FEMA - eNEMIS	0						

Appendix XI: Surveyed Projects with Number of Times Rebaselined and Reasons for Most Recent Rebaseline

Agency	Project	Times rebaselined	Project performance	Contractor performance	Reasons			
					Original baseline inaccurate	Change in requirements	Change in funding Stream	Other
	DHS - Homeland Secure Data Network	0						
Department of Commerce	Commerce Business Systems	1				X		X
	USPTO Revenue and Account Management System	5						X
	Economic Census and Surveys	2				X	X	
	Master Address File/ Topologically Integrated Geographic Encoding and Referencing Enhancements	1						X
	Advanced Weather Interactive Processing System	1					X	X
	NOAA Weather Radio All Hazards Weather Network	2	X					
	NDBC Ocean Observing System of Systems	0						
	NPOESS Data Exploitation	1						X
	NOAA Research Scientific Computing Support	0						
	GOES Ground System	0						
	NPOESS Ground System	2					X	X
	NCEP Weather and Climate Computing Infrastructure Services	1					X	

Appendix XI: Surveyed Projects with Number of Times Rebaselined and Reasons for Most Recent Rebaseline

Agency	Project	Times rebaselined	Project performance	Contractor performance	Reasons			
					Original baseline inaccurate	Change in requirements	Change in funding Stream	Other
	BIS Legacy Export Control	2						X
	Commerce Business Environment	5				X	X	
	NIST-wide Grant Management Information System	1			X	X		
Department of Justice	FBI Biometric Interoperability	0						
	FBI Law Enforcement National Data Exchange	0						
	JMD Integrated Wireless Network	0						
Department of Transportation	OSTXX001: Delphi	1						X
	FAAXX600 (ATOP)	0						
	Survey FAAXX603: Traffic Mgmt Advisor-single Cntr	1				X		
	FAAX711- (DataComm)	0						
	FAAXX610: Aviation Safety Knowledge Management, incorporates: FAAXX196, FAAXX264, FAAXX471, FAAXX487	0						
	NHTSA020: Artemis	2						X
	FAAXX169: Wide Area Augmentation System	3				X		
	NHTSA304: EDS	2					X	X
	PHMSA018: National Pipeline Mapping System	0						

Appendix XI: Surveyed Projects with Number of Times Rebaselined and Reasons for Most Recent Rebaseline

Agency	Project	Times rebaselined	Project performance	Contractor performance	Reasons			
					Original baseline inaccurate	Change in requirements	Change in funding Stream	Other
	FAAXX704: Automatic Dependent Surveillance-Broadcast, of the Surveillance and Broadcast Services Program	0						
	DOTXX070: DOT IT Combined Infrastructure	1				X		
Department of Defense	Commissary Advanced Resale Transaction System	2		X		X		
	Defense Information System For Security	0						
	Defense Travel System	1				X		
	Global Decision Support System	1					X	X
	Net Centric Enterprise Services	0						
	Navy Enterprise Resource Planning	2					X	X
	JTRS - Airborne, Maritime And Fixed Radios	0						
	Navy Marine Corps Intranet	0						
	Future Combat Systems-Advanced Collaborative Environment	0						
	Advanced Field Artillery Tactical Data System	4				X	X	
	Warfighter Information Network-Tactical	1				X		

Appendix XI: Surveyed Projects with Number of Times Rebaselined and Reasons for Most Recent Rebaseline

Agency	Project	Times rebaselined	Project performance	Contractor performance	Reasons			
					Original baseline inaccurate	Change in requirements	Change in funding Stream	Other
	Defense Enterprise Accounting and Management System-Air Force	0						
	Integrated Strategic Planning And Analysis Network	0						
	Joint Precision Approach And Landing System	0						
Department of Education	Financial Management Support System	0						
	Contracts and Purchasing Support System	0						
	Common Services for Borrowers-Legacy	0						
	E-Authentication	1			X			
	National Student Loan Data System	0						
	Advance- AID Delivery	0						
	Combined Office Automation - EDUCATE	1					X	
Environmental Protection Agency	Legacy Financial Systems	2						X
	Storage and Retrieval Information System	1				X	X	
	Integrated Compliance Information System	3				X	X	X
	Enterprise Content Management System	1					X	X
	Integrated Contracts Management System	1				X		

Appendix XI: Surveyed Projects with Number of Times Rebaselined and Reasons for Most Recent Rebaseline

Agency	Project	Times rebaselined	Project performance	Contractor performance	Reasons			
					Original baseline inaccurate	Change in requirements	Change in funding Stream	Other
Department of Energy	NNSA STA Transportation Command and Control System	0						
	NNSA ASC LLNL Purple Platform	0						
	ETTP Contractor Business and Administrative Systems	0						
	RW DOE Licensing Support Network	4					X	X
	SC Lattice Quantum ChromoDynamics Computing	0						
	HS Nuclear Materials Management and Safeguards System	0						
	General Services Administration	Financial Management Line of Business Managing Partner	0					
Human Capital Information Technology Services		2			X	X	X	
IT Infrastructure Initiative Line of Business		0						
Rent Estimate		0						
Sales Automation System		0						
GSA Advantage		0						
GSA Enterprise Infrastructure Operations		2					X	

Appendix XI: Surveyed Projects with Number of Times Rebaselined and Reasons for Most Recent Rebaseline

Agency	Project	Times rebaselined	Project performance	Contractor performance	Reasons			
					Original baseline inaccurate	Change in requirements	Change in funding Stream	Other
Health and Human Services	NIH CIT Central Accounting System	0						
	OS ASAM Debt Management and Collection System	0						
	IHS Resource and Patient Management System - Maintenance & Enhancements	3				X		X
	CMS Modernized IT Infrastructure	1					X	
	CMS Beneficiary Enrollment and Plan Payment for Part C & D	1					X	X
	CMS Durable Medical Equipment Claims Processing	1					X	X
	CMS Medicare Appeals System	1					X	X
	CMS Q-net	1			X	X		X
	Mission Accomplishments and Regulatory Compliance Services	2						X
	CDC Public Health Information Network	2					X	X
	HHS Asset - Property Management Information System	1			X	X		
	CMS Medicare Program Integrity Modernization - One PI System	0						
	Grants.gov - Find and Apply	1						X
	FDA Consolidated Infrastructure	1						X

Appendix XI: Surveyed Projects with Number of Times Rebaselined and Reasons for Most Recent Rebaseline

Agency	Project	Times rebaselined	Project performance	Contractor performance	Reasons			Other
					Original baseline inaccurate	Change in requirements	Change in funding Stream	
	CMS IT Infrastructure	1					X	
	ACF GrantSolutions.gov / Grants Administration Tracking Evaluation System - Grants Center for Excellence	2				X	X	
Department of Housing and Urban Development	HSG - 251780 - Tenant Rental Assistance Certification System	7					X	
	ADM - 202750 - HUD Integrated Human Resources and Training System	4					X	X
Department of the Interior	E-DOI - NBC FMLoB Shared Service Provider	0						
	BOR1-CDW (Corporate Data Warehouse)	0						
	E-DOI - Geospatial One-Stop	0						
	BLM-Incident Qualifications and Certification System	0						
	USGS - National Water Information System	2			X			X
	BLM-Automated Fluid Mineral Support System	2				X		X
	BOR1-GCPO SCADA (Grand Coulee Power Office Supervisory Control and Data Acquisition System)	0						

Appendix XI: Surveyed Projects with Number of Times Rebaselined and Reasons for Most Recent Rebaseline

Agency	Project	Times rebaselined	Project performance	Contractor performance	Reasons			
					Original baseline inaccurate	Change in requirements	Change in funding Stream	Other
	NPS - NPS.gov Internet/Intranet Portal	3				X	X	
	BIA - Integrated Records Management System	0						
	OST - Trust Funds Accounting System	0						
	OSM - Abandoned Mine Land Inventory System	0						
	FWS - Federal Aid Information Management System	1						X
Department of Labor	ESA - OWCP-Black Lung Automated Support Package	0						
	OCFO – PeoplePower	0						
	BLS - CPI Maintenance	1						X
	ESA - OFCCP – Federal Contractor Compliance System	0						
	MSHA - Information Processing - MSHA Standardized Information System	1				X		
	ETA - UI Database Management System	0						
	PBGC - Risk Management and Early Warning / Legal Management	0						
	OPA - DOL- National Contact Center Initiative	0						

Appendix XI: Surveyed Projects with Number of Times Rebaselined and Reasons for Most Recent Rebaseline

Agency	Project	Times rebaselined	Project performance	Contractor performance	Reasons			
					Original baseline inaccurate	Change in requirements	Change in funding Stream	Other
	PBGC - IT Business Transformation	0						
National Aeronautics and Space Administration	NASA Integrated Enterprise Management - Human Capital Information Environment	0						
	JSC Integrated Planning System	0						
	ESMD – Integrated Collaborative Environment	0						
	KSC Shuttle Launch Control System	0						
	KSC Shuttle Processing Support	0						
	NASA Data Center	0						
	National Regulatory Commission	Time and Labor Modernization	1					
Reactor Program System		2				X		
Licensing Support Network		0						
National Science Foundation	Grants Management Line of Business	0						
Office of Personnel Management	Agency Financial System	0						
	USAJOBS	1			X		X	X
	e-QIP	0						
Small Business Administration	GCBD: Business Development Management Information System	2				X		
	OCIO: OA /T/ I Meta 300	0						
Social Security Administration	DDS Automation	3				X	X	X
	Access to Financial Institution Information	1					X	

Appendix XI: Surveyed Projects with Number of Times Rebaselined and Reasons for Most Recent Rebaseline

Agency	Project	Times rebaselined	Project performance	Contractor performance	Reasons			
					Original baseline inaccurate	Change in requirements	Change in funding Stream	Other
Department of State	Joint Financial Management System	3				X		
	Foreign Assistance Coordination and Tracking System	0						
	Consular Support & Visa Applications	3						X
	A/LM ILMS	3				X		X
	Global Network	2						X
	Global IT Modernization	2				X		
Department of the Treasury	Travel Reimbursement and Accounting System	1				X		X
	Fiscal Management 09	0						
	Integrated Customer Communications Environment	0						
	Counsel Automated Systems Environment	0						
	Treasury-Wide Enterprise Content Management Services	0						
	Criminal Investigation Management Information System - Major	1						X
	Pay.gov	2					X	
	Government-Wide Accounting and Reporting Modernization	1					X	
	Automated Standard Application for Payments	2					X	

Appendix XI: Surveyed Projects with Number of Times Rebaselined and Reasons for Most Recent Rebaseline

Agency	Project	Times rebaselined	Project performance	Contractor performance	Reasons			
					Original baseline inaccurate	Change in requirements	Change in funding Stream	Other
	Treasury Automated Auction Processing System	0						
	Appeals Automated Environment	2						X
	Individual Master File	1					X	
	Examination Desktop Support System - Release 2 - Major	1				X		
	Modernized e-File	1				X		
	Common Services-Enterprise Application Integration Broker	0						
Agency for International Development	ISS LOB Center of Excellence	0						
Department of Agriculture	Corporate Financial Management Systems	2						X
	Consolidated Financial Management Information Systems	0						
	Program Fund Control System - #0082	5			X	X	X	
	National Financial Applications	0						
	ROSS - Resource Ordering and Status System	3				X	X	X
	RMA-01 – Financial Management Systems	0						
	Farm Program Modernization	1				X	X	
	USDA (PHICP)	0						

Appendix XI: Surveyed Projects with Number of Times Rebaselined and Reasons for Most Recent Rebaseline

Agency	Project	Times rebaselined	Reasons					
			Project performance	Contractor performance	Original baseline inaccurate	Change in requirements	Change in funding Stream	Other
	Consolidated Infrastructure, Office Automation, and Telecommunications	0						
Department of Veterans Affairs	Health Admin Center IT Operations	6			X	X		X
	VistA Imaging	0						
	Learning Management System	0						
	Enrollment Enhancements	0						
	My HealtheVet	1				X	X	
	Veterans Benefits Delivery	0						
	Payroll/HR Systems	0						
	IT Infrastructure	0						
	Document and Correspondence Management System	1		X		X		

Source: Office of Management and Budget's *Report on IT Spending for Fiscal Years 2007, 2008, and 2009* for project names and GAO survey responses and additional agency data for number of times rebaselined and reasons.

Appendix XII: GAO Contacts and Staff Acknowledgments

GAO Contact

David A. Powner, (202) 512-9286, or pownerd@gao.gov

Staff Acknowledgements

In addition to the contact named above, Carol Cha, Melinda L Cordero, Neil Doherty, Joel Grossman, Ethan Iczkovitz, Kaelin Kuhn, Lee McCracken, Paul Middleton, Sabine Paul, Mark Ramage, and Eric Winter made key contributions to this report.

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