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UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C. 20548

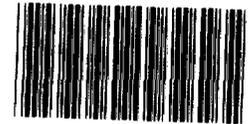
ACCOUNTING AND FINANCIAL
MANAGEMENT DIVISION

B-202861

APRIL 21, 1981

✓ The Honorable Mary Rose Oakar
Chairwoman, Subcommittee on
Compensation and Employee Benefits
Committee on Post Office and Civil
Service
House of Representatives

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Dear Madame Chairwoman:

Subject: [Review of the Office of Personnel Management's
Macon, Georgia, Computer System] (AFMD-81-55)

DLG00925

In her July 3, 1980, letter, (see encl. I) the then chair-
person, Ms. Gladys Spellman, expressed concern that the Office of
Personnel Management (OPM) may not be using the Honeywell Computer
equipment in Macon, Georgia, as originally intended, and that OPM
may be restructuring applications that should have been imple-
mented at the Macon Computer Center. This report is in response
to her request that we look into the matter.

In discussions with your office we agreed to address two
questions:

DLG06537

- (1) Is the Honeywell system at OPM's Macon, Georgia, Computer Center being used for the purpose originally planned and justified?
- (2) Can the Honeywell system support additional processing?

These questions arose in the context of a broader review we conducted concerning delays in processing retirement claims. Among other things, that review (1) addressed the issue of whether the process could be further automated and (2) evaluated the Retirement Interface Processing System to determine whether it could reduce the processing time for retirement claims. The report on that review will be issued at a later date.

We found that OPM's original purpose for the Honeywell system as the departmental data processing facility has been only partly achieved. Although the system can handle additional applications at present, that capacity is decreasing due to the increasing use of the computer by non-OPM users.

Objectives, scope, and methodology

Our objective was to answer the two questions posed by the Subcommittee. Consequently our review was concerned primarily with

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the acquisition and use of the Honeywell computer system at Macon, Georgia.

To determine why the Honeywell system was acquired we interviewed present and former personnel, both management and technical, who were involved in the acquisition process. We also examined relevant documents, including internal OPM correspondence as well as communications among OPM, the General Services Administration, and the Office of Management and Budget.

We ascertained how the system was being used by reviewing summary and detail reports on utilization by user, and by interviewing management and technical personnel at the Macon, Georgia, center and at OPM's Washington, D.C., headquarters. The utilization reports were based upon computer-generated data OPM uses for billing and accounting.

Our evaluation of the Honeywell system's capability to handle additional applications was based upon performance-related documents and interviews with technical personnel concerned with system performance.

Among the documents reviewed were the Federal Computer Performance Evaluation and Simulation Center study of the Honeywell system in 1978, computer performance-related documents generated during the Retirement Interface Processing System acquisition, and summary and detail computer-generated resource utilization statistics. The Federal Computer Performance Evaluation and Simulation Center determined that the computer-generated statistics were highly reliable.

In assessing a computer system's capability to handle additional applications, the practical limits on the use of the most critical resources must first be determined. At Macon, the most critical resources are the central processing units (CPUs), and we decided to use 85 percent as the practical limit of CPU use. That figure is also used by the Macon Center management and technical personnel. OPM has found that computer response time to users is unacceptable when the CPUs exceed 90 percent busy, but response time has been acceptable over sustained periods of CPU use exceeding 80 percent.

Is the Honeywell computer system at Macon, Georgia, being used as originally intended?

In 1975 OPM acquired, in a competitive procurement, a Honeywell 66/80 computer system with two CPUs. Although your office was under the impression that the Honeywell computer system was acquired to handle only retirement processing, we learned that the system was acquired to handle all of OPM's data processing requirements. OPM's intention was to replace obsolete RCA Spectra computers, consolidate departmental data processing functions, and further automate certain recordkeeping activities.

Some of the major applications OPM planned to process at Macon did include those related to retirement claims and to staffing services. Primarily because of OPM's unanticipated problems and delays in converting the Spectra programs to run on the Honeywell system, many applications were still being run on the Spectra equipment long after the Honeywell system was installed. Due in part to these delays, OPM's compensation group (which processes retirement claims) and its staffing services group each sought and subsequently obtained its own dedicated computer. 1/ These acquisitions were contrary to OPM's original intent to consolidate all computer processing at the Macon Computer Center.

Another result of the delays in converting the Spectra programs was underutilization of the Honeywell equipment. In keeping with the Government's policy of making excess capacity available to other Government agencies, OPM solicited and processed work for non-OPM users. These users pay for such work from their own appropriations.

Is the Honeywell system capable of supporting additional automated processes?

The current configuration of Honeywell equipment can support additional processing. The amount that can be supported, however, is closely related to work done for non-OPM users. Non-OPM use is likely to increase significantly, while use by the compensation and staffing services groups is likely to decrease or remain steady. 2/

For fiscal 1980, non-OPM use of the Macon center accounted for about one-fifth of the workload. During that period, outside use increased by 9 percent. For the period between August 11, 1980, when a third central processing unit became operational, and October 31, 1980, the non-OPM portion increased to one-fourth of the total workload, as shown in the table on the next page.

1/The staffing services group has a Hewlett-Packard HP-3000 in Macon; the compensation group has an IBM 3031 in Washington, D.C. Each group also uses the Honeywell system in Macon for some of its work.

2/The impetus for the expected increase in non-OPM use comes from the establishment of the Macon center as a Federal Data Processing Center. In addition, in a report to the Chairman, House Government Operations Committee, (AFMD-81-21), we suggested that the General Services Administration consider transferring a major application from the Computer Sciences Corporation's Information Network timesharing system to OPM's Honeywell system.

<u>User</u>	Average use per month FY 80	Average use per month Aug. 11, 1980 - Oct. 31, 1980	Indicated trends <u>in usage</u>
	(hours)		
Compensation and staffing services groups	124	102	Steady to down
Other OPM	264	333	Steady to up
Non-OPM	<u>112</u>	<u>148</u>	Probably up
Total	<u>500</u>	<u>583</u>	

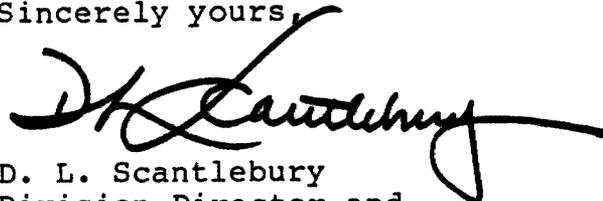
Assuming a practical capacity of 997 CPU hours per month available for user processing, the total utilization of that capacity was 583 hours (59 percent) for the most recent period--August 11, 1980, through October 31, 1980. If recent trends continue, however, the Honeywell system is likely to be saturated within 1 to 2 years.

At present, substantial capacity exists for additional processing, and if non-OPM users were excluded from the system, OPM could more than double its own workload.

At your request, we did not take the additional time needed to obtain agency comments on the matters discussed in the report.

As agreed with your office, we plan no further distribution of this report until 30 days from its date. At that time, we will send a copy to the Director of the Office of Personnel Management and make copies available to other interested parties.

Sincerely yours,



D. L. Scantlebury
Division Director and
Chief Accountant of GAO

Enclosure

ENCLOSURE I

ENCLOSURE I

NINETY-SIXTH CONGRESS

GLADYS NOON SPELLMAN, MD., CHAIR

CHARLES H. WILSON, CALIF.
WILLIAM D. FORD, MICH.
MARY ROSE OAKAR, OHIO

TOM CORCORAN, ILL.
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U.S. House of Representatives

COMMITTEE ON POST OFFICE AND CIVIL SERVICE
SUBCOMMITTEE ON COMPENSATION AND EMPLOYEE BENEFITS
B-345(D) RAYBURN HOUSE OFFICE BUILDING
Washington, D.C. 20515

July 3, 1980

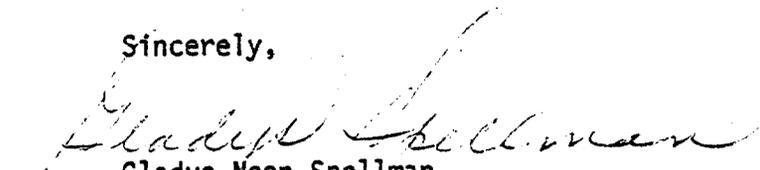
Mr. H. L. Krieger, Director
Federal Personnel and Compensation Division
General Accounting Office
441 G Street, N. W.
Washington, D. C. 20548

Dear Mr. Krieger,

During this Subcommittee's April 22, 1980 oversight hearings on Delays in Processing Retirement Claims, issues were raised dealing with the extent to which OPM has, or could, introduce automation in order to speed up the retirement claims processing. During the exchange between the OPM witnesses and the Subcommittee Counsel, it was brought out that OPM's Honeywell computer system in Macon, Georgia, which was supposed to be used for the retirement system, has in fact been used very little for that reason. Instead, OPM has entered into a new long-range Retirement Interface Processing System (RIPS) using different hardware. This change appears to require a complete restructuring of applications which has been, or should have been, accomplished by the Macon Computer Center.

In view of this information, it is requested that your study of the Retirement Processing System incorporate a review of the whole issue of whether there can be greater automation in the process and whether the efforts being undertaken by OPM with the RIPS can reasonably be expected to accomplish significant reductions in processing time of retirement claims. It would also be helpful if you could assess the capability of the Honeywell system in Macon to determine (1) whether it has been utilized for the purpose originally planned and justified, and (2) whether it can satisfy the processes your experts feel could and should be automated.

Sincerely,


Gladys Noon Spellman
Chair, Subcommittee on Compensation and Employee Benefits