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

24-0064

LOGISTICS AND COMMUNICATIONS
DIVISION

B-163074

AUG 20 1973

2 The Honorable
The Secretary of Defense



Attention: Assistant Secretary of Defense
(Comptroller)

Dear Mr. Secretary:

This is to inform you that the General Accounting Office is terminating its current review of the Army's AMC Logistics Program Hardcore Automated (ALPHA) under Code 63804. 20

The ALPHA system has been undergoing design and development for several years. The prototype testing of the complete system started at the Army's Aviation Systems Command (AVSCOM) in January 1972 and about February 1973 was considered by the Army as operating at an acceptable level of performance. High level attention has been given to ALPHA's development within the Army and the Department of Defense, which resulted in many changes during this development period. Thus, by proceeding with development cautiously, the Army was attempting to ensure that the system would meet their various needs and function effectively when implemented. The Army is currently in the process of implementing a portion of the system at the Missile Command and plans to implement the balance in the approximate January 1974 timeframe.

We periodically monitored the ALPHA system during its continuing development and prototype testing. On numerous occasions, we informally expressed our observations to various Department of Defense and Army officials responsible for the design, development and approval of the system. These officials were responsive to our concerns, and impressed us as being dedicated to the successful development of a system that would contribute to more effective management within the Army.

During the year of prototype testing at AVSCOM, a great deal of anxiety arose concerning ALPHA's ability to perform satisfactorily. We were advised that most of the critical problems had been overcome and that the performance indicators showed favorable trends.

From our cursory analysis of the various performance indicators, it appears that the system is functioning at an acceptable level and that AVSCOM's performance is approaching the Army's standards. Since

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the performance indicators are following favorable trends, the Army considers the system operational and ready for extension to the next site.

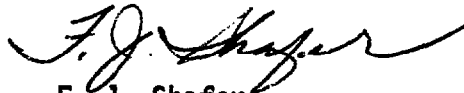
We believe, however, that the same cautious approach followed at AVSCOM should continue to be followed. In the event that significant problems occur, the Army should then delay further implementation until satisfactory solutions are obtained. This would help achieve a systematic implementation based on accomplished events, rather than on arbitrary timeframes that may not be realistic.

Under these circumstances, and in view of the fact that the ALPHA system is considered essentially acceptable at AVSCOM, we believe that a further shakedown period to permit user evaluation and acceptance would be beneficial before any further work is undertaken by this office. Accordingly, we do not intend to issue a formal report on the ALPHA system at this time. We will continue to periodically check with key officials on the status of the system's extension, and discuss with these officials their approach to solving problems that may arise. Any further work undertaken by this office will be contingent upon information obtained during these follow-up actions.

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Copies of this letter are being sent to the House and Senate
Committees on Appropriations, the House and Senate Committees on Government Operations, the House and Senate Committees on Armed Services, the Joint Economic Committee and the Secretary of the Army. L300
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H 500

Sincerely yours,



F. J. Shafer
Director