



Highlights of [GAO-09-326SP](#), a report to congressional committees

Why GAO Did This Study

This is GAO’s seventh annual assessment of selected Department of Defense (DOD) weapon programs. The report examines how well DOD is planning and executing its weapon acquisition programs, an area that has been on GAO’s high-risk list since 1990.

This year’s report is in response to the mandate in the joint explanatory statement to the Consolidated Security, Disaster Assistance, and Continuing Appropriations Act, 2009. The report includes (1) an analysis of the overall performance of DOD’s 2008 portfolio of 96 major defense acquisition programs and a comparison to the portfolio performance at two other points in time—5 years ago and 1 year ago; (2) an analysis of current cost and schedule outcomes and knowledge attained by key junctures in the acquisition process for a subset of 47 weapon programs—primarily in development—from the 2008 portfolio; (3) data on other factors that could impact program stability; and (4) an update on changes in DOD’s acquisition policies. To conduct our assessment, GAO analyzed cost, schedule, and quantity data from DOD’s Selected Acquisition Reports for the programs in DOD’s 2003, 2007, and 2008 portfolios. GAO also collected data from program offices on technology, design, and manufacturing knowledge, as well as on other factors that might affect program stability. GAO analyzed this data and compiled one- or two-page assessments of 67 weapon programs.

To view the full product, including the scope and methodology, click on [GAO-09-326SP](#). For more information, contact Michael J. Sullivan at (202) 512-4841 or sullivanm@gao.gov.

DEFENSE ACQUISITIONS

Assessments of Selected Weapon Programs

What GAO Found

Since 2003, DOD’s portfolio of major defense acquisition programs has grown from 77 to 96 programs; and its investment in those programs has grown from \$1.2 trillion to \$1.6 trillion (fiscal year 2009 dollars). The cumulative cost growth for DOD’s programs is higher than it was 5 years ago, but at \$296 billion, it is less than last year when adjusted for inflation. For 2008 programs, research and development costs are now 42 percent higher than originally estimated and the average delay in delivering initial capabilities has increased to 22 months. DOD’s performance in some of these areas is driven by older programs, as newer programs, on average, have not shown the same degree of cost and schedule growth.

Analysis of DOD Major Defense Acquisition Program Portfolios (Fiscal Year 2009 Dollars)

Portfolio status	Fiscal year 2003 portfolio	Fiscal year 2007 portfolio	Fiscal year 2008 portfolio
Number of programs	77	95	96
Total planned commitments	\$1.2 trillion	\$1.6 trillion	\$1.6 trillion
Commitments outstanding	\$724 billion	\$875 billion	\$786 billion
Change to total research and development costs from first estimate	37 percent	40 percent	42 percent
Change in total acquisition cost from first estimate	19 percent	26 percent	25 percent
Estimated total acquisition cost growth	\$183 billion	\$301 billion ^a	\$296 billion
Share of programs with 25 percent or more increase in program acquisition unit cost	41 percent	44 percent	42 percent
Average delay in delivering initial capabilities	18 months	21 months	22 months

Source: GAO analysis of DOD data.

^aLast year, GAO reported total acquisition cost growth for the fiscal year 2007 portfolio was \$295 billion in fiscal year 2008 dollars. This figure is now expressed in fiscal year 2009 dollars.

For 47 programs GAO assessed in-depth, the amount of knowledge that programs attained by key decision points has increased in recent years; but most programs still proceed with far less technology, design, and manufacturing knowledge than best practices suggest and face a higher risk of cost increases and schedule delays. Early system engineering, stable requirements, and disciplined software management were also important as programs that exhibited these characteristics experienced less cost growth and shorter schedule delays on average. Program execution could be hindered by workforce challenges. A majority of the programs GAO assessed were unable to fill all authorized program office positions, resulting in increased workloads, a reliance on support contractors, and less personnel to conduct oversight.

In December 2008, DOD revised its policy for major defense acquisition programs to place more emphasis on acquiring knowledge about requirements, technology, and design before programs start and maintaining discipline once they begin. The policy recommends holding early systems engineering reviews; includes a requirement for early prototyping; and establishes review boards to monitor requirements changes—all positive steps. Some programs we assessed have begun implementing these changes.