COAST GUARD

Observations on Changes to Management and Oversight of the Deepwater Program

What GAO Found

Over the past two years, the Coast Guard has reoriented its acquisition function to position itself to execute systems integration and program management responsibilities formerly carried out by ICGS. The acquisition directorate has been consolidated to oversee all Coast Guard acquisitions, including the Deepwater Program, and Coast Guard project managers have been vested with management and oversight responsibilities formerly held by ICGS. Another key change has been to manage the procurement of Deepwater assets on a more disciplined, asset-by-asset approach rather than as an overall system of systems, where visibility into requirements and capabilities was limited. For example, cost and schedule information is now captured at the individual asset level, resulting in the ability to track and report breaches for assets. Further, to manage Deepwater acquisitions at the asset level, the Coast Guard has begun to follow a disciplined project management process that requires documentation and approval of program activities at key points in a program's life cycle.

These process changes, coupled with strong leadership to help ensure the processes are followed in practice, have helped to improve Deepwater management and oversight. However, the Coast Guard still faces many hurdles going forward and the acquisition outcome remains uncertain.

- The consequences of not following a disciplined acquisition approach for Deepwater acquisitions and of relying on the contractor to define Coast Guard requirements are clear now that assets, such as the National Security Cutter, have been paid for and delivered without the Coast Guard's having determined whether the assets' planned capabilities would meet mission needs.

- While the asset-based approach is beneficial, certain cross-cutting aspects of Deepwater—such as command, control, communications, computers, intelligence, surveillance, and reconnaissance (C4ISR) and the overall numbers of each asset needed to meet requirements—still require a system-level approach. The Coast Guard is not fully positioned to manage these aspects.

- One of the reasons the Coast Guard originally contracted with ICGS as the systems integrator was the recognition that the Coast Guard lacked the experience and depth in workforce to manage the acquisition itself. The Coast Guard has faced challenges in building an adequate government acquisition workforce and, like many other federal agencies, is relying on support contractors—some in key positions such as cost estimating and contract support. GAO has pointed out the potential concerns of reliance on contractors who closely support inherently governmental functions.

View GAO-09-462T or key components. For more information, contact John P. Hutton at (202) 512-4841 or huttonj@gao.gov.