In fiscal year 2009, the Department of Defense (DOD) spent nearly $384 billion on contracts. This investment, representing over 70 percent of total government contract spending, highlights the great need to better manage risk in acquisitions. But DOD has not always managed risks effectively: major systems continue to take longer to develop, cost more, and deliver fewer quantities and capabilities than originally planned. In addition, poorly managed growth in services spending has contributed to disappointing program outcomes. DOD weapon system acquisition and contract management have been on GAO’s high-risk list for nearly 20 years.

This testimony focuses on (1) planning of DOD’s acquisitions; (2) contract types and the award process, including bid protests; (3) outcomes of major acquisition programs; and (4) acquisition and contractor workforce management. It also highlights relevant reforms in each area.

This statement is based on GAO’s body of work on DOD acquisitions and contracting and on GAO’s statutory role in issuing bid protest decisions. GAO has made numerous recommendations in prior work but is not making any new recommendations in this testimony.