

DOCUMENT RESUME**00057 - [A0751357] (Restricted)****[Delays in the Implementation of the Farmers Home Administration's Unified Management Information System].
B-146864. February 16, 1977. 2 pp.****Report to Sen Herman E. Talmadge, Chairman, Senate Committee on Agriculture and Forestry; by Elmer B. Staats, Comptroller General.****Issue Area: Automatic Data Processing: Acquisition of ADP Goods and Services (111).****Contact: Logistics and Communications Div.****Budget Function: Miscellaneous: Automatic Data Processing (1001).****Organization Concerned: Farmers Home Administration.****Congressional Relevance: Senate Committee on Agriculture and Forestry.**

The possibility of unnecessary delays in implementation of the Farmers Home Administration's Unified Management Information System (UHIS) was examined. The Farmers Home Administration will be the principal user of a consolidated St. Louis-Kansas City computer center. Findings/Conclusions: It is agreed that the Farmer's Home Administration needs a UHIS-type system, but the Administration did not adequately study alternative methods of providing UHIS-type services as required by Federal procurement policy. Its preferred method of providing UHIS services involves the installation of about 2,000 interactive terminals. The estimated cost of the concept was about \$50 million; however, an adequate determination had not been made that the terminals were needed or were cost-beneficial. A pilot program to test a limited number of terminals in 1978 will cost about \$1 million. Recommendations: The request for the proposed computer system procurement, with options for acquiring additional terminal capacity, should be allowed to proceed. (RBS)



COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

LCJ

FEB 16 1977

B-146864

The Honorable Herman E. Talmadge
Chairman, Committee on Agriculture
and Forestry
United States Senate

Dear Mr. Chairman:

Do not make available to public reading

We appreciate your concern about the possibility of unnecessary delays in the implementation of the Farmers Home Administration's Unified Management Information System (UMIS), as expressed in your letter of February 4, 1977.

As you know, we were asked by the Chairman of the House Committee on Government Operations to review the proposed procurement of a computer system for the Kansas City Computer Center. Farmers Home will be the principal user of that system when the St. Louis Computer Center is consolidated with the one at Kansas City. We recently completed a review of the procurement of equipment for the St. Louis center, that was requested by the Senate Subcommittee on Agriculture and Related Agencies, Committee on Appropriations. A copy of that report, New Computer Was Not Needed for the St. Louis Computer Center, LCD-76-126, December 30, 1976, is attached for your information.

We fully concur with Farmers Home's need for a UMIS type system and the overall benefits to be derived therefrom; however, we do not believe that Farmers Home adequately studied alternative methods of providing UMIS-designed services, as required by Federal procurement policy. The Full Field Service concept, its preferred method of providing UMIS services, involves the installation of about 2,000 interactive terminals--enough for all county and State offices. We estimated that the cost of the concept was about \$50 million over the system life; however, an adequate determination had not been made that the terminals were needed or were cost beneficial.

It is the Department's plan to test a limited number of terminals in 1978 at Agricultural Service Centers and Farmers Home will be one of the major users. The so called pilot terminal test would cost in the neighborhood of \$1 million.

00057

As noted in our January 28 letter to Chairman Brooks and February 8 letter to Secretary Bergland (see attachments), the Department has concurred with our findings and recommendations, with minor revisions. We therefore recommended that the request for the proposed computer system procurement--with options for acquiring additional capacity for terminals--be allowed to proceed. The letters, in response to the Chairman's letter of December 21 and the Secretary's letter of January 24 (see attachments), also note that we have been working closely with Department officials to design a feasibility study for the purpose of determining whether potential benefits can accrue from the use of terminals in the UMIS system.

We would be pleased to discuss this matter with you or your staff in more detail, if you wish.

Sincerely yours,

(SIGNED) ELMER B. STAATS

Comptroller General
of the United States

Attachments - 5