POLAR-ORBITING ENVIRONMENTAL SATELLITES

Information on Program Cost and Schedule Changes

What GAO Found

The program office has increased the NPOESS cost estimate by $1.2 billion, from $6.9 to $8.1 billion, and delayed key milestones, including the availability of the first NPOESS satellite—which was delayed by 20 months. The cost increases reflect changes to the NPOESS contract as well as increased program management costs. The contract changes include extension of the development schedule to accommodate changes in the NPOESS funding stream, increased sensor costs, and additional funds needed for mitigating risks. Increased program management funds were added for non-contract costs and management reserves. The schedule delays were the result of stretching out the development schedule to accommodate a change in the NPOESS funding stream.

Other factors could further affect the revised cost and schedule estimates. First, the contractor is not meeting expected cost and schedule targets of the new baseline because of technical issues in the development of key sensors. Based on its performance to date, GAO estimates that the contractor will most likely overrun its contract at completion in September 2011 by at least $500 million. Second, the risks associated with the development of the critical sensors, integrated data processing system, and algorithms could also contribute to increased cost and schedule slips.

Satellites Collect and Transmit Meteorological Data Worldwide

Source: GAO, based on NPOESS Integrated Program Office data.