

Highlights of [GAO-12-352](#), a report to the Ranking Member, Subcommittee on Water Resources and Environment, Committee on Transportation and Infrastructure, House of Representatives

Why GAO Did This Study

Section 2034 of the Water Resources Development Act of 2007 requires that certain U.S. Army Corps of Engineers (Corps) civil works project studies undergo independent external peer review to assess the adequacy and acceptability of the methods, models, and analyses used. In the act, Congress established a 7-year trial period for this requirement and also required the Corps to submit two reports on its experiences with the peer review process.

GAO was asked to examine (1) the number of Corps project studies that have undergone independent peer review in response to section 2034, (2) the cost of these peer reviews, (3) the extent to which the Corps' process for determining if a project study is subject to peer review is consistent with section 2034, (4) the process the Corps uses to ensure that the contractors it hires and the experts the contractors select to review project studies are independent and free from conflicts of interest, and (5) the extent to which peer review recommendations have been incorporated into project studies. GAO reviewed relevant laws, agency guidance, and documents and interviewed Corps officials and contractors.

What GAO Recommends

GAO recommends that the Department of Defense direct the Corps to, among other actions, better track peer review studies, revise the criteria for determining which studies undergo peer review and the timing of these reviews, and improve its process for ensuring contractor independence. The department generally concurred with these recommendations.

View [GAO-12-352](#). For more information, contact Anu K. Mittal at (202) 512-3841 or mittala@gao.gov.

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ARMY CORPS OF ENGINEERS

Peer Review Process for Civil Works Project Studies Can Be Improved

What GAO Found

Since enactment of the Water Resources Development Act of 2007, 49 project studies have undergone peer review but it is unclear how many were performed in response to section 2034 requirements because the Army Corps of Engineers (Corps) does not make specific determinations or track if a peer review is being conducted under section 2034. In February 2011, in response to section 2034, the Corps submitted its initial report to Congress summarizing its implementation of the peer review process. In its report, however, the Corps did not distinguish which studies had been selected for peer review in accordance with section 2034 and therefore, did not provide Congress information that would help decision makers evaluate the requirements of section 2034 at the end of the trial period.

The 49 peer reviews resulted in both direct and indirect costs. Specifically, these peer reviews resulted in direct costs of over \$9 million in contract costs and fees. In addition, Corps staff resources were used to manage the reviews, although these costs are not fully quantifiable. Furthermore, the addition of peer review to the Corps study process has resulted in indirect costs by altering project study schedules to allow for time needed to complete peer reviews. In some cases where a peer review was not planned during the early stages of the study process, significant delays to project studies occurred while funds were sought to pay for the peer review. In contrast, according to some Corps officials, when project managers have built in time and identified funding for peer reviews early, the process has had less of an impact on project study schedules.

The Corps' process for determining whether a project study is subject to peer review is more expansive than section 2034 requirements because it uses broader criteria, resulting in peer reviews of studies outside the scope of section 2034. In addition, the process the Corps uses does not include the flexibility provided in section 2034, which allows for the exclusion of certain project studies from peer review. Moreover, some studies are undergoing peer reviews that do not warrant it, according to some Corps officials GAO spoke with.

The Corps has a process to review general information on contractors' conflicts of interest and independence when selecting them to establish peer review panels, but it does not have a process for reviewing project-level information on conflicts of interest and independence. As a result, it cannot be assured that contractors do not have conflicts at the project-level. In contrast, the Corps' contractors do have a process for reviewing information related to conflicts of interest and the independence of experts selected for each peer review panel.

The Corps has adopted and incorporated into its project study reports most of the peer review recommendations it has received. Doing so has resulted in some technical improvements to study reports but generally has not changed the Corps' decisions about project alternatives, in part because the peer review process occurs too late in the project study process to affect decision making, according to some Corps officials GAO spoke with. As a result, some recommendations about alternatives may not have been implemented because the decision on the preferred design had already been made.