FEDERAL RETIREMENT PROCESSING

Applying Information Technology Acquisition Best Practices Could Help OPM Overcome a Long History of Unsuccessful Modernization Efforts

What GAO Found

In a series of reviews, GAO found that the Office of Personnel Management’s (OPM) efforts over two decades to modernize its processing of federal employee retirement applications were fraught with information technology (IT) management weaknesses. Specifically, in 2005, GAO made recommendations to address weaknesses in project, risk, and organizational change management. In 2008, as OPM was on the verge of deploying an automated retirement processing system, GAO reported deficiencies in, and made recommendations to address, additional weaknesses in system testing, cost estimating, and progress reporting. In 2009, GAO reported that OPM continued to have deficiencies in its cost estimating, progress reporting, and testing practices and made recommendations to address these and other weaknesses in the planning and oversight of the agency’s modernization effort. OPM began to address these recommendations; however, in February 2011, it terminated the modernization effort.

OPM’s Strategic Plan for Fiscal Years 2014-2018 includes a goal to deliver retirement benefits to employees accurately, seamlessly, and on time. To achieve this goal, the agency has plans to acquire a new case management system and, ultimately, to transition to a paperless system that will authorize accurate retirement benefits on the day they are due. In addition, the agency plans other initiatives that are intended to incrementally improve retirement claims processing.

GAO has previously reported that its experience at other agencies has demonstrated that successfully overcoming challenges, such as those that have plagued OPM’s past efforts, can be achieved when critical success factors are applied. Nine common factors critical to the success of IT acquisitions are:

- Active engagement of senior officials with stakeholders.
- Qualified and experienced program staff.
- Support of senior department and agency executives.
- Involvement of end users and stakeholders in the development of requirements.
- Participation of end users in testing system functionality prior to formal end user acceptance testing.
- Consistency and stability of government and contractor staff.
- Prioritization of requirements by program staff.
- Regular communication maintained between program officials and the prime contractor.
- Sufficient funding.

These critical success factors can serve as a model of best practices that OPM could apply to enhance the likelihood that the incremental IT investments the agency now plans, including the acquisition of a new case management system, will be successfully achieved.