



October 2018

DOCUMENT SERVICES

DOD Should Take Actions to Achieve Further Efficiencies

GAO Highlights

Highlights of [GAO-19-71](#), a report to congressional committees

Why GAO Did This Study

DOD has reported printing costs that totaled about \$608 million, on average, during fiscal years 2010 through 2015. DLA Document Services has key DOD-wide responsibilities for (1) printing and reproduction, (2) print device procurement, and (3) electronic content management (e.g., digital document repositories). Other DOD components, including the military services, also maintain some document services capabilities at various locations.

House Report 115-200 accompanying a bill for the National Defense Authorization Act for fiscal year 2018 included a provision for GAO to examine DOD's document services. This report evaluates (1) the progress DOD has made in achieving efficiencies in its document services and opportunities, if any, to achieve further efficiencies, and (2) the extent to which DOD reports accurate financial information about its document services to key stakeholders. GAO reviewed documents and interviewed officials regarding DOD's efficiency initiatives, including DLA Document Services' transformation plan; reviewed print device procurement contracts and pricing information; and analyzed DOD budget data for fiscal years 2012 through 2016.

What GAO Recommends

GAO is making six recommendations, including that DOD evaluate options to achieve additional cost savings and other efficiencies in its document services and report more accurate budget data. DOD generally agreed with the recommendations.

View [GAO-19-71](#). For more information, contact Elizabeth Field at (202) 512-2775 or fielde1@gao.gov.

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DOCUMENT SERVICES

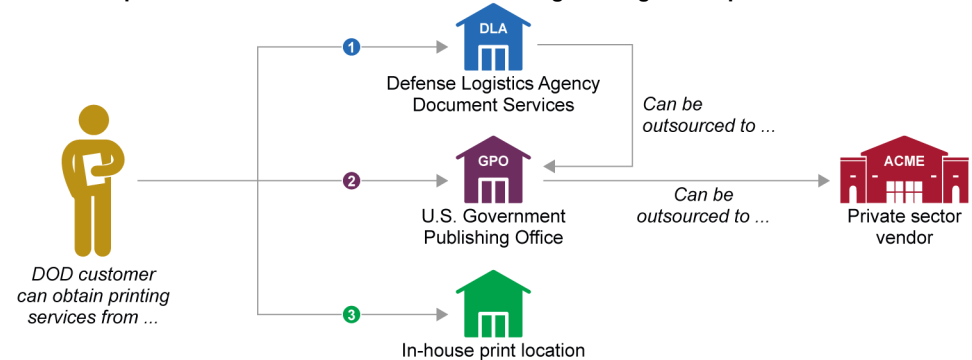
DOD Should Take Actions to Achieve Further Efficiencies

What GAO Found

The Department of Defense (DOD) has taken steps to achieve efficiencies in its document services, including implementing a transformation plan to consolidate existing Defense Logistics Agency (DLA) Document Services facilities. However, GAO identified four areas where further gains may be possible:

- **Managing fragmentation in printing and reproduction services.** DOD has designated DLA Document Services as the single manager for printing and reproduction services, but DOD customers, citing concerns with DLA's services, have also obtained these services directly from the Government Publishing Office and via in-house print facilities (see fig.). DOD has not assessed DLA's performance in this role or whether additional efficiencies may be possible in light of DLA's transformation plan.

Current Department of Defense Methods for Obtaining Printing and Reproduction Services



Source: GAO analysis of Department of Defense (DOD) information. | GAO-19-71

- **Reducing overlap in procuring print devices.** GAO found that DOD components used at least four different contract sources to acquire print devices. DOD has not assessed which acquisition approach represents the best value; doing so might better position DOD to further reduce its costs.
- **Meeting goals to reduce the number of print devices.** DOD and the military services have not demonstrated that they achieved established goals for reducing the number of print devices. Additional controls and assignment of oversight responsibilities to monitor progress could better enable DOD to achieve its cost savings goals, estimated to be millions of dollars annually.
- **Consolidating DLA facilities.** DLA is closing or consolidating 74 of its 112 facilities in the United States. However, GAO found that for four of seven types of specialty services, DLA plans to retain facilities that are responsible for less than 5 percent of the total revenue for each of those specialties, which suggests that further consolidations are possible.

DOD includes the cost of non-printing activities, such as the purchase of advertising time for recruiting, within its budget materials for printing and reproduction. It does not include costs to acquire print devices and for electronic content management. As a result, DOD and the Congress lack the oversight into total document services costs needed to make informed decisions.

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Abbreviations

AMRG	Army Marketing Research Group
CIO	Chief Information Officer
DLA	Defense Logistics Agency
DOD	Department of Defense
GPO	Government Publishing Office
IT	Information Technology
O&M	Operation and Maintenance
OMB	Office of Management and Budget
USD (AT&L)	Undersecretary of Defense for Acquisition, Technology, and Logistics

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October 11, 2018

The Honorable James M. Inhofe
Chairman
The Honorable Jack Reed
Ranking Member
Committee on Armed Services
United States Senate

The Honorable Mac Thornberry
Chairman
The Honorable Adam Smith
Ranking Member
Committee on Armed Services
House of Representatives

The Department of Defense (DOD) reported spending an annual average of \$608 million on document services, such as printing, copying, and related activities, during fiscal years 2010 through 2015. In recent years, congressional committees have expressed concerns about these costs. For example, in 2015, the Senate Committee on Appropriations reported concerns over wasteful printing practices and the lack of clear printing policies within DOD and recommended that DOD reduce its printing and reproduction costs by 34 percent.¹

The Defense Logistics Agency's (DLA) Document Services organization has key department-wide responsibilities for document services. It is designated as DOD's "single manager" for printing and high-speed, high-volume duplication and "preferred provider" for document conversion and

¹S. Rep. No. 114-63, at 36 (2015). The Senate report recommended that DOD work with the Office of Management and Budget to reduce its printing and reproduction and report on steps taken to reduce printing volume and costs not later than 60 days after the enactment of the act it accompanied. The Senate report did not specify a time period over which the reductions were to occur. As we discuss later in this report, DOD issued a report in December 2016, outlining its plan to meet the goals set forth by the Senate Committee on Appropriations.

automation services.² DOD document services generally encompass three broad categories: (1) printing and reproduction (e.g., copying), (2) print device procurement, and (3) electronic content management (e.g., digital document repositories and records management). In addition, DOD components, which include the military services, maintain some document service capabilities at various locations.³

Due in part to congressional concerns, DOD has implemented initiatives to reduce the number of print devices and increase the use of electronic content management practices. DLA Document Services has also taken steps to implement a transformation plan to better accomplish its mission. The objective of this plan is to transition DOD to online services by transforming the way customers, the workforce, and in-house facilities operate. DLA Document Services plans to consolidate existing brick and mortar facilities, leverage existing partnerships with the Government Publishing Office (GPO), and shift to digital services. An internal analysis of the transformation plan estimated that, once the plan is fully implemented in fiscal year 2019, DLA Document Services can expect annual savings of 20 percent of its fiscal year 2017 operating costs.

House Report 115-200 accompanying a bill for the National Defense Authorization Act for Fiscal Year 2018 included a provision for us to examine DOD's document services and assess opportunities to achieve greater efficiencies and cost savings.⁴ This report evaluates (1) the progress DOD has made in achieving efficiencies in its document services and opportunities, if any, to achieve further efficiencies and (2) the extent to which DOD reports accurate financial information about its document services to key stakeholders.

²DOD Instruction 5330.03, *Defense Logistics Agency (DLA) Document Services* (Feb. 8, 2006) (certified current as of May 18, 2011). The Instruction excludes certain DOD agencies from the single manager and preferred provider provisions, including the DOD Intelligence Agencies (the Defense Intelligence Agency, the National Security Agency, and the National Geospatial-Intelligence Agency), as well as tactical activities and National Guard and Reserve organizations. According to DLA officials, the "single manager" term means that DLA Document Services is the mandatory source for these services, while "preferred provider" refers to providing the best value in these areas. DOD customers are not required to use DLA Document Services for those instances in which DLA is the preferred provider.

³For the purposes of this report, the military services include the U.S. Army, Air Force, Navy, and Marine Corps.

⁴H.R. Rep. No. 115-200, at 96 (2017).

For our first objective, we reviewed DOD documents and interviewed DOD officials to understand how each military service obtains document services and identify department-wide and military service-specific efficiency initiatives for document services. We focused our review on DLA and the military services, which accounted for an average of about 92 percent of DOD's total document service costs reported by DLA Document Services in fiscal years 2010 through 2015. We also reviewed DLA's and the military services' document services activities and compared them with a DOD statutory periodic review,⁵ DOD Instructions, and other guidance;⁶ OMB guidance;⁷ internal control standards;⁸ and best practices for efficiency initiatives—such as consolidations—and strategic sourcing⁹ to identify any potentially inefficient duplication, overlap, or fragmentation; and any opportunities for greater efficiencies. For specific efficiency initiatives identified by DOD officials or in DOD documents, we interviewed DOD officials regarding their progress in implementing and meeting the goals of these initiatives.

We also compared the cost of print devices offered by DLA Document Services, the Army, and the Air Force. Specifically, we gathered and analyzed data on (1) the monthly price of multifunction devices offered by DLA Document Services, (2) the estimated average monthly cost for the Army, based on quotes provided by vendors through the Army's mandatory source for print devices, and (3) the estimated average

⁵See 10 U.S.C. §192(c).

⁶See DOD Instruction 5330.03; DOD Instruction 5025.01, *DOD Issuances Program* (Aug. 1, 2016) (incorporating change 2, effective Dec. 22, 2017); and DOD Chief Information Officer Memorandum, *Optimizing Use of Employee Information Technology (IT) Devices and Other Information Technologies to Achieve Efficiencies* (Feb. 17, 2012).

⁷See Office of Management and Budget (OMB), Office of Federal Procurement Policy Memorandum, *Transforming the Marketplace: Simplifying Federal Procurement to Improve Performance, Drive Innovation, and Increase Savings* (Dec. 4, 2014).

⁸GAO, *Standards for Internal Control in the Federal Government*, [GAO-14-704G](#) (Washington, D.C.: Sep 10, 2014).

⁹GAO, *Streamlining Government: Questions to Consider When Evaluating Proposals to Consolidate Physical Infrastructure and Management Functions*, [GAO-12-542](#) (Washington, D.C.: May 23, 2012); GAO, *Streamlining Government: Key Practices from Select Efficiency Initiatives Should be Shared Governmentwide*, [GAO-11-908](#) (Washington, D.C.: Sep. 30, 2011); GAO, *Strategic Sourcing: Opportunities Exist to Better Manage Information Technology Services Spending*, [GAO-15-549](#) (Washington, D.C.: Sep. 22, 2015); GAO, *Federal Procurement: Smarter Buying Initiatives Can Achieve Additional Savings, but Improved Oversight and Accountability Needed*, [GAO-17-164](#) (Washington, D.C.: Oct. 26, 2016).

monthly cost, based on the standard pricing included in the Air Force's 2018 catalog for print devices. We compared costs for similar devices based on device specifications, including print speeds, monthly volumes, and paper capacities. This analysis did not account for other differences in device specifications, approaches to obtaining devices, or the types of associated maintenance services and supplies that were included. As a result, this analysis does not allow us to conclude which sources provide the greatest value, but it illustrates differences in the cost of print devices across sources.

For our second objective, we analyzed DOD's operation and maintenance (O&M) budget justification materials and DLA data for fiscal years 2012 through 2016, which provided us with 5 fiscal years of data to determine any trends in document services obligations.¹⁰ We interviewed officials from the services to determine how they reported their costs for document services. We assessed the information against federal accounting standards on how information should be recorded and communicated to management and others.¹¹

To determine the reliability of the data provided to us by DOD, we collected information through interviews with and questionnaires to relevant officials on how the data were collected, managed, and used. We determined that the data presented in our findings were sufficiently reliable for the purposes of this report. Appendix I provides further details on our scope and methodology.

We conducted this performance audit from August 2017 to October 2018 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

¹⁰DOD also incurs obligations for printing and reproduction activities in other appropriation accounts, such as Research, Development, Test and Evaluation and Procurement, but we did not assess those obligations in this report.

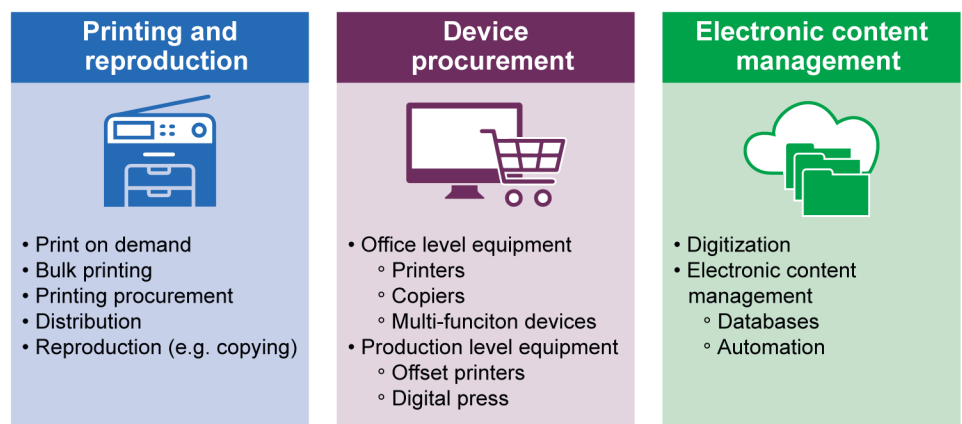
¹¹Federal Accounting Standards Advisory Board, *Handbook of Federal Accounting Standards and Other Pronouncements, as Amended* (Washington, D.C.: June 30, 2017).

Background

Categories of Document Services

Document services at DOD are generally encompassed by three broad categories, shown in figure 1.

Figure 1: Department of Defense Document Services Categories



Source: GAO analysis of Department of Defense information. | GAO-19-71

Printing and reproduction includes the high-speed, high-volume reproduction of printed documents, as well as the distribution of those products. Documents are printed internally by DOD components, which include the military services, or printing is procured through an organization such as DLA Document Services, the Government Publishing Office (GPO), or a commercial vendor. Device procurement covers the acquisition of all office-level and production-level equipment. Office-level equipment includes printers; copiers; multi-function devices (MFDs), which perform multiple functions—printing, copying, scanning, and faxing—in one device; and all other devices that produce documents on-site and in low volume. Production-level equipment can include offset printers, digital presses, and other devices that are capable of high-speed, high-volume production of documents. Electronic content management is the digitization of printed documents and the creation and management of electronic content management systems, such as databases and automation services.

Roles and Responsibilities for Document Services

The Under Secretary of Defense for Acquisition and Sustainment is the principal staff assistant and advisor to the Secretary of Defense on document services policies and programs and provides policy guidance regarding the operation and management of document services.¹² DOD's Instruction on document services also designates DLA Document Services as DOD's single manager for printing and high-speed, high-volume duplication. This includes both the operation of DOD's in-house print facilities and the procurement of such services from outside DOD. It also establishes DLA Document Services as the preferred provider of document conversion and automation services within DOD. DOD is in the process of revising its instruction on document services and is considering changes to DLA's single manager role.¹³ DLA Document Services customer service network is comprised of a headquarters located in New Cumberland, Pennsylvania and 132 production facilities worldwide.

Each military service also provides internally some document services of the type assigned to DLA. Service-level implementing guidance governs how each military service will provide document service-related activities to its components, commands, and organizations, such as through the Army Publishing Directorate, the Navy's Chief Information Officer, and the Marine Corps Publishing and Logistics Systems Management Section. The Air Force's major commands operate their own printing operations, according to a service official.

¹²DOD Instruction 5330.03 describes the Under Secretary of Defense for Acquisitions, Technology and Logistics (USD (AT&L)) as this principal staff assistant and advisor to the Secretary of Defense. However, the National Defense Authorization Act for Fiscal Year 2017 amended Title 10, U.S. Code, effective February 1, 2018, by striking section 133, which described the position of USD (AT&L), and inserting sections 133a and 133b, which created and described the positions of Under Secretary of Defense for Research and Engineering and Under Secretary of Defense for Acquisition and Sustainment. Pub. L. No. 114-328, § 901(a) and (b) (2016) (codified at 10 U.S.C. §§ 133a and 133b). A July 13, 2018 Deputy Secretary of Defense Memorandum, *Establishment of the Office of the Under Secretary of Defense for Research and Engineering and the Office of the Under Secretary of Defense for Acquisition and Sustainment*, explains that references to USD(AT&L) in issuances that have not been updated are to be interpreted as references to whichever of these two Under Secretaries is assigned the relevant roles and responsibilities in the memorandum. The memorandum lists the operation and management of document services as a responsibility of the Under Secretary of Defense for Acquisition and Sustainment. Accordingly, for the purposes of this report, we refer to the Under Secretary of Defense for Acquisition and Sustainment in cases where DOD Instruction 5330.03 refers to USD(AT&L).

¹³DOD did not provide a time frame for completing the revision of the instruction at the time of our work.

Funding of Document Services

DLA funds document services through the Defense-wide Working Capital Fund, which covers DLA's costs for purchasing various commodities and providing services. DOD components and other customers, such as other federal agencies, reimburse the Defense-wide Working Capital Fund through the purchase of these commodities and services.¹⁴ In obtaining document services from DLA, DOD components—including the military services—use annual appropriations and their own working capital funds to reimburse the Defense-wide Working Capital Fund. DLA Document Services' primary customers, by sales, are shown in table 1. DOD components can also fund document services outside of DLA Document Services with annual appropriations.

Table 1: Defense Logistics Agency (DLA) Document Services' Primary Customers, by Sales, Fiscal Year 2012-2017

(dollars in millions)

	2012	2013	2014	2015	2016	2017
Army	60,334	50,215	52,620	55,362	53,618	30,330
Air Force	46,540	38,887	37,103	34,336	37,827	33,377
Navy	54,002	52,038	67,567	74,988	87,170	86,741
Marine Corps	17,060	17,822	18,801	21,444	26,059	29,081
Other DOD	70,644	78,158	74,649	90,858	101,765	101,312
Totals	248,580	237,120	250,741	276,988	306,439	280,840

Source: GAO analysis of DLA Document Services data. | GAO-19-71

Efforts to Increase Efficiencies in Providing Document Services

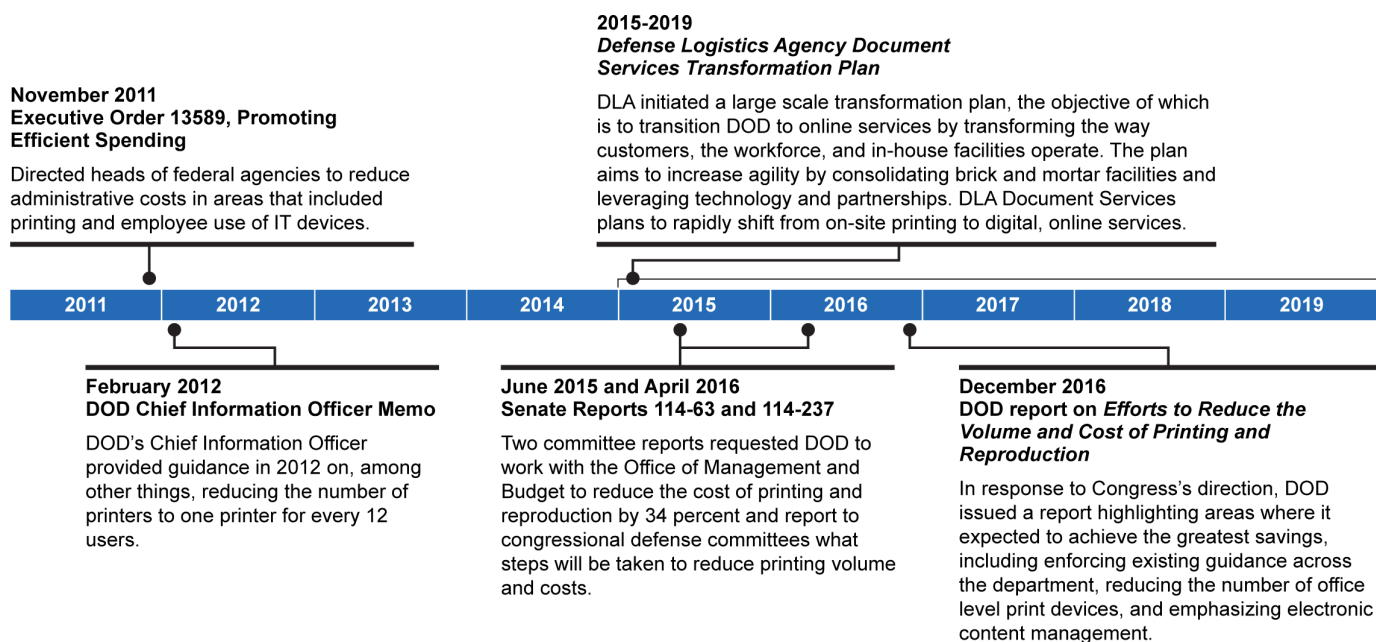
Beginning in 2011, Congress, the federal government, and DOD initiated efforts to increase efficiencies in various areas involving document services. For example, Executive Order 13589 directed agencies to pursue steps to reduce administrative costs across the federal government by setting reduction goals for certain areas, such as printing and employee use of IT devices.¹⁵ According to DOD, it set—and achieved—a goal of a 20 percent reduction in fiscal year 2013 spending in these areas. Following this effort, in 2015, the Senate Committee on Appropriations recommended that DOD work with the Office of Management and Budget to reduce costs for printing and reproduction by

¹⁴According to DOD's Financial Management Regulation, working capital funds were established to satisfy recurring DOD requirements using a business-like buyer-and-seller approach. The Defense-wide Working Capital Fund is a working capital fund managed by the defense agencies and is comprised of six activity groups, three of which are operated by DLA.

¹⁵Exec. Order 13,589, *Promoting Efficient Spending*, 76 Fed. Reg. 70,863 (Nov. 9, 2011).

34 percent. DOD issued a report in December 2016 that identified the reductions it would make to achieve this goal. The plan focused on two main areas: emphasizing electronic content management over a reliance on printed materials and reducing the number of print devices. Starting in fiscal year 2015, DLA Document Services undertook a separate but complementary effort to further increase efficiencies and better accomplish its mission of providing document services to DOD and the military services. Figure 2 provides a time line of efficiency initiatives related to DOD's document services. We discuss the status of these efforts later in this report.

Figure 2: Time Line of Efficiency Initiatives Related to Department of Defense Document Services since 2011



Source: GAO analysis. | GAO-19-71

DOD Has Made Progress toward Achieving Efficiencies in its Document Services, but Opportunities May Exist for Further Gains

DOD has taken steps toward achieving efficiencies in its document services, including implementing a transformation plan for DLA Document Services, taking steps to reduce the cost and number of office print devices, and increasing its use of electronic content management.

However, we identified four areas where further gains may be possible: better managing fragmentation in printing and reproduction services, reducing overlap in procuring print devices, meeting goals to reduce the number of print devices, and consolidating locations that provide mission specialty printing.

DOD Has Taken Steps toward Achieving Efficiencies

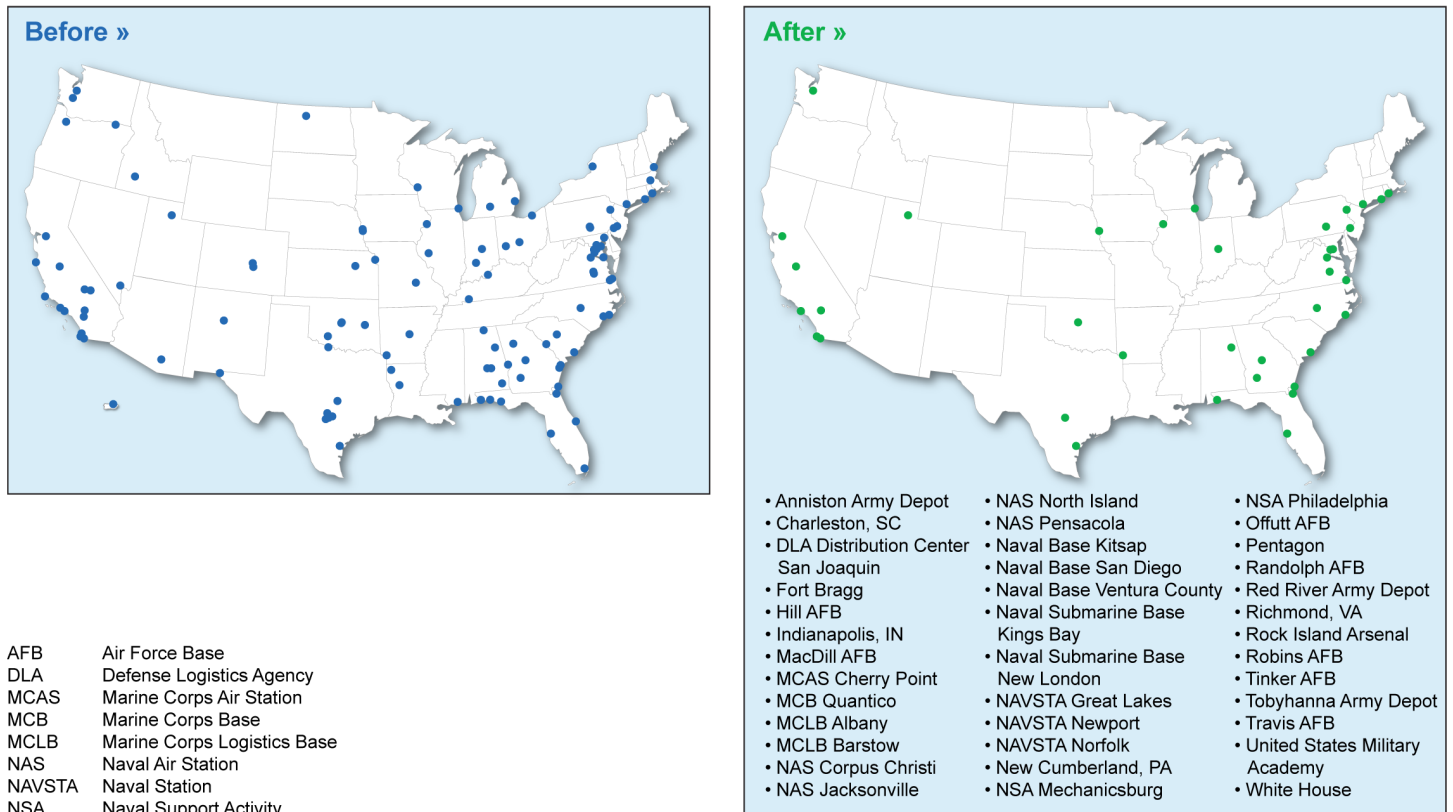
Implementing DLA Document Services' Transformation Plan

In fiscal year 2015, DLA Document Services developed and, starting in fiscal year 2017, began implementing a transformation plan to further increase efficiencies and better accomplish its mission of providing document services to DOD and the military services. The objective of this transformation plan is to transition DOD from on-site printing to digital, online services by transforming the way customers, the workforce, and in-house facilities operate. Based on the plan, DLA Document Services is closing or consolidating 74 of its 112 brick and mortar facilities in the continental United States over the course of fiscal years 2018 and 2019, bringing its footprint to 38 facilities. An internal analysis of the transformation plan, conducted by DLA, estimates annual savings of 20 percent compared to DLA Document Services' fiscal year 2017 operating costs once the plan is fully implemented in fiscal year 2019.¹⁶ Figure 3 shows DLA Document Services' facility footprint prior to the implementation of its transformation plan and the locations it intends to retain following completion of the plan in fiscal year 2019.¹⁷

¹⁶We did not assess the reliability of these estimates or the extent to which DLA has achieved them, since the transformation plan was in progress during the course of our review.

¹⁷Defense Logistics Agency (DLA) Document Services also operates 20 overseas facilities. According to DLA Document Services officials, the continued operation of these facilities will be reviewed when the current transformation plan is completed, in fiscal year 2019.

Figure 3: Map of Defense Logistics Agency (DLA) Document Services' Facility Locations in the Continental United States before Its Transformation Plan and after the Plan's Completion in Fiscal Year 2019



Source: GAO analysis of DLA information. | GAO-19-71

The transformation plan also calls for DLA Document Services to adjust the size and composition of its workforce by the plan's completion in fiscal year 2019. For example, DLA Document Services intends to reduce its total number of full-time equivalent positions from about 600 to about 400, mainly through Voluntary Early Retirement Agreements and Voluntary Separation Incentive Payments. According to officials, DLA Document Services is also in the process of converting existing positions and hiring staff as customer relations specialists at each of the consolidated facilities. These officials noted that these positions are intended to help customers learn about and access the full range of services offered by DLA Document Services, including printing and reproduction services, office print devices, and electronic content management services. The goal of establishing these positions, officials stated, is to help facilitate the increased use of technology to meet customers' needs, because DLA Document Services intends to transition customers to using an online

portal to fulfill their printing needs. According to DLA, it is hiring many of the customer relations specialists from current DLA Document Services locations, and the planned reduction in its total full-time equivalent positions is a net reduction that accounts for the hiring of, and conversion of existing positions to, these customer relations specialists.

DLA Document Services also plans to use and expand its existing public and private sector partnerships to support an increased emphasis on online services as it implements its transformation plan. For example, DLA Document Services currently works in partnership with GPO's GPOExpress, an online portal for fulfilling printing and reproduction services in cooperation with FedEx Office. For those customer orders that DLA Document Services is unable to fulfill in-house, whether due to workload or lack of capability, GPO and GPOExpress meet these needs. According to a GPO official, GPOExpress will also serve customers located in areas where DLA Document Services has closed or consolidated 74 of its 112 U.S. facilities.

We found that DLA Document Services' transformation plan generally reflects leading practices for initiatives to consolidate physical infrastructure or management functions.¹⁸ For example, DLA Document Services identified goals for its transformation plan, ensured top leadership engagement, dedicated an implementation team, and established metrics that it is using to track progress toward the plan's goals. As of June 2018, DLA Document Services is ahead in its goals for overall personnel reductions and for hiring customer service representatives and is behind on its goal for closing facilities, as shown in table 2.

¹⁸Our previous work on initiatives to consolidate physical infrastructure or management functions identified key questions to consider in evaluating such initiatives, including assessing (1) the goals, opportunities, and problems, if any, that will be created through the consolidation; (2) the likely costs and benefits of the consolidation; (3) any up-front costs associated with the consolidation; (4) how stakeholders have been consulted and will be affected; and (5) how change management practices will be used to implement the consolidation. See [GAO-12-542](#).

Table 2: Defense Logistics Agency (DLA) Document Services Progress toward Transformation Plan Goals, as of June 2018

	Before transformation plan/as of July 2017	Transformation plan goal	Goal for reduction/increase	Goal for June 2018	Actual as of June 2018	Actual reduction/increase through June 2018
Employees (in full time equivalents)	583	398	-185	525	511	-72
Customer service representatives (included in total employees)	n/a	101	+101	79	92	+92
Number of continental United States facilities ^a	112	38	-74	81	90	-22

Source: GAO analysis of DLA Document Services data. | GAO-19-71

^aDLA has 20 facilities outside the continental United States that were not affected by the transformation plan.

According to DLA Document Services officials, delays in reducing facilities have been due to a variety of factors, including earlier delays in hiring customer service representatives, equipment removal, and administrative delays at installations. There have also been delays as DLA Document Services has sought to minimize the effect of the consolidations on affected employees by offering buyout packages or transfers. DLA Document Services officials told us they anticipate that their efforts to consolidate facilities and reduce the overall number of employees will begin to achieve savings by fiscal year 2020.

Reducing the Cost and Number of Print Devices

DOD, including the military services, has also taken steps to reduce the cost and number of office-level print devices, including identifying goals for reducing the number of print devices and plans for each military service to establish a mandatory source (e.g., one particular contract or organization) for obtaining print devices. The Army and Air Force have each established their own service-wide contracts for obtaining print devices and have mandated their use, while the Department of the Navy has mandated that the Navy and Marine Corps use DLA Document Services to obtain these devices. Military service officials told us that consolidating purchases with a single service-wide source reduces the cost of these devices by taking advantage of economies of scale, because vendors can offer better pricing for larger numbers of customer orders. Our previous work on strategic sourcing—a process that moves agencies away from numerous individual purchases to an aggregate

approach—shows that such practices can allow agencies to better manage acquisitions and reduce costs.¹⁹

In addition, DOD and the military services have identified reducing the number of print devices as an opportunity for significant savings and have established guidance on reducing the number of these devices. DOD's Chief Information Officer (CIO) issued a memorandum in 2012 on, among other things, reducing the number of print devices to one per office space of 12 or fewer users and assessing the ratio of printers to employees in larger spaces.²⁰ In response to this memorandum and to Army Audit Agency findings of excessive user-to-printer ratios, the Secretary of the Army issued guidance in fiscal year 2013, requiring all Army commands, organizations, and activities to assess print capacity and plan for reductions, if necessary, based on the results of those assessments, which the Army last completed in fiscal year 2014.²¹ The Department of the Navy, in adopting DLA Document Services as the exclusive source for acquiring and sustaining print devices for the Navy and Marine Corps, also directed Department of the Navy officials to work with DLA Document Services to conduct assessments and develop a phased execution plan regarding the number and type of print devices Navy and Marine Corps organizations require. DLA began conducting these assessments for the Navy and Marine Corps in fiscal year 2014. In conducting these assessments, DLA Document Services reviews the inventory, cost, and use of output devices within an organization and then conducts an analysis that results in recommendations. According to DLA Document Services, its recommendations are designed to optimize an organization's equipment to meet the organization's needs, while reducing cost by shifting from single-function, or standalone devices, to shared, multifunction devices.

Increasing the Use of Electronic Content Management

Led by DLA Document Services, DOD has also made greater use of electronic content management, with the objective of reducing the volume and cost of printed materials. DLA Document Services is using a number of electronic content management systems, including its Document

¹⁹See [GAO-15-549](#) and [GAO-17-164](#).

²⁰DOD Chief Information Officer Memorandum, *Optimizing Use of Employee Information Technology (IT) Devices and Other Information Technologies to Achieve Efficiencies* (Feb. 17, 2012).

²¹See U.S. Army Audit Agency, *Printer Management*, A-2012-0113-FMT (Alexandria, VA.: May 31, 2012).

Automation and Content Services, and has deployed those systems for a number of DOD customers, such as DLA Distribution and U.S. Transportation Command.²² According to DLA Document Services officials, because Document Automation and Content Services functions as one large system with separate libraries for individual customers, and costs for the system are shared, increasing adoption of the system will reduce costs for each organization using the system.

Opportunities May Exist to Achieve Further Efficiency Gains

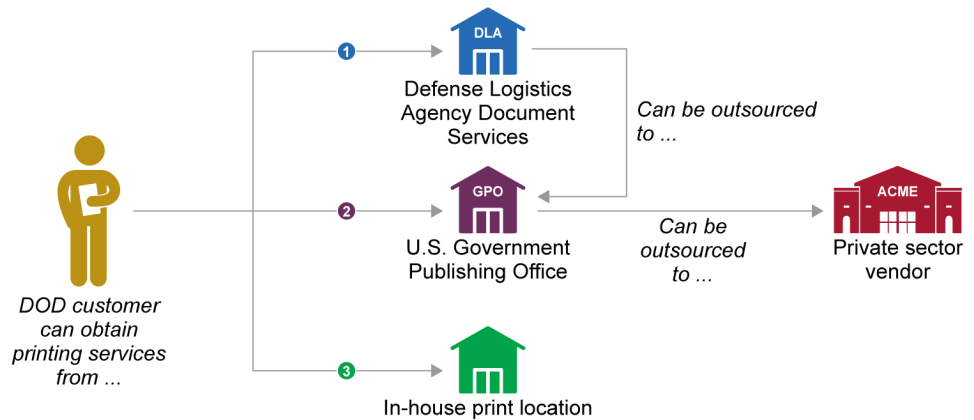
DOD's document services initiatives have gained efficiencies, but we identified four areas where further gains may be possible, including (1) managing fragmentation in printing and reproduction services, (2) reducing overlap in procuring print devices, (3) meeting goals to reduce the number of print devices, and (4) consolidating locations that provide mission specialty printing.

Managing Fragmentation in Printing and Reproduction Services

Our review found that DOD components, including the military services, use multiple approaches to obtain printing and reproduction services. These approaches include (1) using DLA Document Services to obtain printing and reproduction services, which, in turn, can outsource the work to GPO; (2) obtaining these services directly from GPO and its network of private sector vendors without first involving DLA Document Services; and (3) providing these services at in-house print locations, as shown in figure 4.

²²Document Automation and Content Services is a commercial, off-the-shelf software-as-a-service system that offers functions such as document management (including document editing, repositories, and database functions), records management (including ensuring compliance with records management and policies and promoting audit readiness), and content management (including automating business processes).

Figure 4: Summary of Department of Defense (DOD) Approaches to Obtain Printing and Reproduction Services



Source: GAO analysis of DOD information. | GAO-19-71

Note: For fiscal year 2016, DLA Document Services reported a total of about \$139.2 million in revenue for printing and reproduction. Of this amount, about \$75.3 million was generated from in-house printing and reproduction and about \$63.8 million was outsourced to the Government Publishing Office (GPO). According to GPO, it annually outsources about 75 percent of its printing work to private sector vendors and performs about 25 percent at in-house facilities.

For example, according to DLA Document Service officials, the Army Publishing Directorate, which is responsible for obtaining print services for the Department of the Army and local commands in the Washington, D.C. region, has been given authority by DLA Document Services to obtain printing and reproduction services directly from GPO under a contract that DLA Document Services established for that purpose. In contrast, the Army Marketing and Research Group (AMRG), which is responsible for developing and distributing printed materials for recruitment, obtains services directly from GPO without the involvement of DLA Document Services. Finally, some DOD components, such as the Navy, Marine Corps, and National Guard Bureau, also operate their own in-house print facilities.

In our interviews with military service officials, they stated that they obtained services outside of DLA Document Services because of concerns regarding the cost, quality, and timeliness of its work, including inefficiencies that can result from using DLA Document Services to obtain printing services that are ultimately outsourced to GPO. For example, an analysis by the Army Publishing Directorate found that ordering directly through GPO results in savings of 35 percent, compared to fulfilling the same orders in house through DLA Document Services. In addition,

headquarters officials with the Army and Navy stated that there have been significant delays in obtaining services through DLA Document Services, including cases where GPO ultimately fulfilled the orders. Navy officials also said that there were issues with the quality of DLA Document Services' work, including orders they had to return repeatedly because of quality issues. Further, Army officials—as well as DLA Document Services—acknowledged that certain print jobs, including some bulk printing or magazine- and advertising-quality printing, are beyond DLA Document Services' capabilities to provide in house.

According to DLA Document Services officials, DLA Document Services offers value as a single manager for printing and reproduction services, including when GPO fulfills printing and reproduction orders. For example, DLA Document Services may be able to identify different options that allow customers to reduce costs, such as different contract options that GPO may not identify. Officials also said that DLA provides administrative support, such as centralized billing and record keeping, that the military services would have to replicate in their absence. These officials also stated that they were unaware of any persistent problems with the quality or timeliness of DLA Document Services' work, and that they work with customers to resolve such issues when they arise.

As noted above, DOD is in the process of revising DOD Instruction 5330.03, and a draft of the revision continues to assign DLA as the single manager for printing and reproduction services within DOD. However, despite the concerns expressed by some military service officials, DOD has not assessed the extent to which DLA Document Services is fulfilling its duties in accordance with DOD Instruction 5330.03 when considering any revisions to the instruction. Specifically, DOD has not assessed whether the products and services DLA Document Services provides are based on “best value,” as determined by quality, price, and delivery time, in accordance with the instruction.

According to both DLA Document Services officials and the official at the office of the Under Secretary of Defense for Acquisition and Sustainment who is responsible for document services policy, the office of Acquisition and Sustainment has had minimal involvement in ensuring that DLA Document Services is fulfilling its duties in accordance with the instruction. For example, DOD's last formal report on defense agencies and DOD field activities, including DLA Document Services, was completed in 2013, before DLA Document Services began implementing

its transformation plan.²³ Because it has not assessed DLA Document Services' provision of document services since 2013, DOD has not ensured that DLA Document Services is providing the best value in an efficient and effective way.

In light of changes such as DLA Document Services' transformation plan, DOD has also not determined whether DLA's single manager role as it is currently constituted is the most effective and efficient model for providing printing and reproduction services, or whether additional efficiencies may be possible. For instance, as a part of its transformation plan, DLA Document Services is increasing its use of GPO to fulfill customer orders, in lieu of using its in-house print facilities.²⁴ As previously discussed, DLA Document Services can provide certain arrangements—such as establishing term contracts with GPO for certain customers while still providing administrative support for those customers—which may allow for greater efficiencies in printing and reproduction services. However, the draft revision to DOD Instruction 5330.03 does not address how DLA Document Services might use or expand these more flexible arrangements in light of its transformation plan. DOD Instruction 5025.01 requires that, when revising DOD issuances—such as DOD Instructions—the relevant Office of the Secretary of Defense component head will ensure that each assignment of authority or responsibility is verified to be a current requirement and is appropriately assigned. Without assessing whether DLA's single manager role as it is currently constituted is the most effective and efficient model for providing printing

²³At the time of our review, section 192(c) of Title 10, U.S. Code required the Secretary of Defense to review the services and supplies provided by each defense agency and DOD field activity, at least every two years, to ensure that (1) there is a continuing need for each such defense agency and field activity and (2) the provision of services and supplies by each such agency and activity (rather than by the military departments) is a more effective, economical, or efficient manner of providing those services and supplies or of meeting the requirements for combat readiness of the armed forces. For more information on DOD's reviews of defense agencies and DOD field activities, see GAO, *Defense Management: DOD Needs to Address Inefficiencies and Implement Reform across its Defense Agencies and DOD Field Activities*, [GAO-17-592](#) (Washington, D.C.: Sep. 6, 2018). Shortly before the issuance of this report, the John S. McCain National Defense Authorization Act for Fiscal Year 2019 amended the requirements for periodic reviews of the defense agencies and DOD field activities in section 192(c). Pub. L. No. 115-232, § 923 (2018). We only reviewed DOD periodic reviews carried out before this amendment of section 192(c).

²⁴DLA Document Services estimated that about \$17.5 million in revenue would shift from in-house production to GPO, based on fiscal year 2016 workloads. This would represent an increase of about 27.5 percent in DLA Document Services' revenue from GPO work for that year.

Reducing Overlap in Procuring
Print Devices

and reproduction services in light of the current transformation plan, DOD may miss opportunities to gain additional efficiencies and better manage fragmentation when obtaining these services.

Our review found that DOD has not implemented a department-wide approach for acquiring print devices, and DOD components use at least four different sources to acquire them, with costs that vary widely for similar devices.²⁵ For example, as one of its services, DLA Document Services provides print devices, as well as associated maintenance and supplies, to DOD components. The Department of the Navy has adopted DLA Document Services as the exclusive source for acquiring and sustaining print devices for the Navy and Marine Corps. In addition, both the Army and Air Force have established their own contracts for print devices. Further, the Defense Information Systems Agency's Joint Service Provider delivers print devices to organizations in the Pentagon and the national capital region, including the headquarters organizations of some of the military services, and officials noted that they use a government-wide contract managed by the National Aeronautics and Space Administration.²⁶

Based on DLA Document Services' assessments of customers' print device requirements, its print device procurement service resulted in savings of between 33 and 45 percent compared to the customers' prior costs for devices, primarily because of reductions in unnecessary devices and efficiencies that are gained through the economies of scale of a single organization procuring these devices. More specifically, DLA Document Services, as a part of its print device procurement service, assesses customers' device requirements, which officials told us generally results in reducing the number of devices and the associated costs. In addition, DLA Document Services is pursuing, with the support of the General Services Administration, a "best-in-class" designation for

²⁵In general, officials noted that each of these sources uses multi-award indefinite delivery, indefinite quantity contracts or blanket purchase agreements to provide devices. Indefinite-delivery, indefinite quantity contracts are awarded to one or more contractors to acquire products or services when the government does not know at the time of award the exact times or exact quantities of future deliveries. The government then places orders through the contracts once it knows the timing and quantity of its needs. Blanket purchase agreements are agreements between government agencies and vendors with terms and conditions, including prices, in place for future use.

²⁶The Defense Information Systems Agency's Joint Service Provider was established in 2015 to consolidate the delivery of information technology services, including hardware such as print devices, in the Pentagon and national capital region.

its print device procurement service as a part of an effort to reduce costs by using multi-agency and government-wide acquisition vehicles.²⁷

Army and Air Force officials told us that they had established their own print device procurement sources primarily because they believed that these sources are less expensive than using DLA Document Services. This is primarily because DLA Document Services charges administrative and overhead costs to support its operations, such as facility and maintenance costs, whereas the services' own contracts do not require any additional fees, according to these officials. However, service officials were unable to provide any analyses or other documentation to support these determinations, and some service officials have been reassessing their approach to obtaining devices. For example, Air Force officials told us they recognize that print procurement services like those provided by DLA Document Services can result in savings, and these officials plan to issue guidance instructing commands to use either DLA Document Services or a similar service offered through the General Services Administration. Conversely, the Marine Corps official responsible for implementing the Department of the Navy's policy on print devices told us that two installations had reported that the mandated use of DLA Document Services for print device procurement had not yielded savings. That official told us that the office plans to survey additional Marine Corps installations and may make recommendations on the current policy as a result.

Our analysis found differences in cost among the contracts for similar devices and associated services (see fig. 5). However, we were unable to determine which sources provided the greatest value, because of differences in device specifications (such as handling different paper sizes or the capability to be used on classified networks), approaches to obtaining devices, and whether associated maintenance services and supplies were included. We analyzed DLA Document Services' standard pricing for customers, contractor quotes for the Army's mandatory source, and standard pricing for the Air Force's mandatory source for devices with similar capabilities offered by two or more of the sources, and we found

²⁷ According to the General Services Administration, the "best-in-class" acquisition designation identifies government-wide contracts that satisfy key criteria defined by OMB. Best-in-class solutions are vetted, well managed, and recommended—and in some cases required—for use.

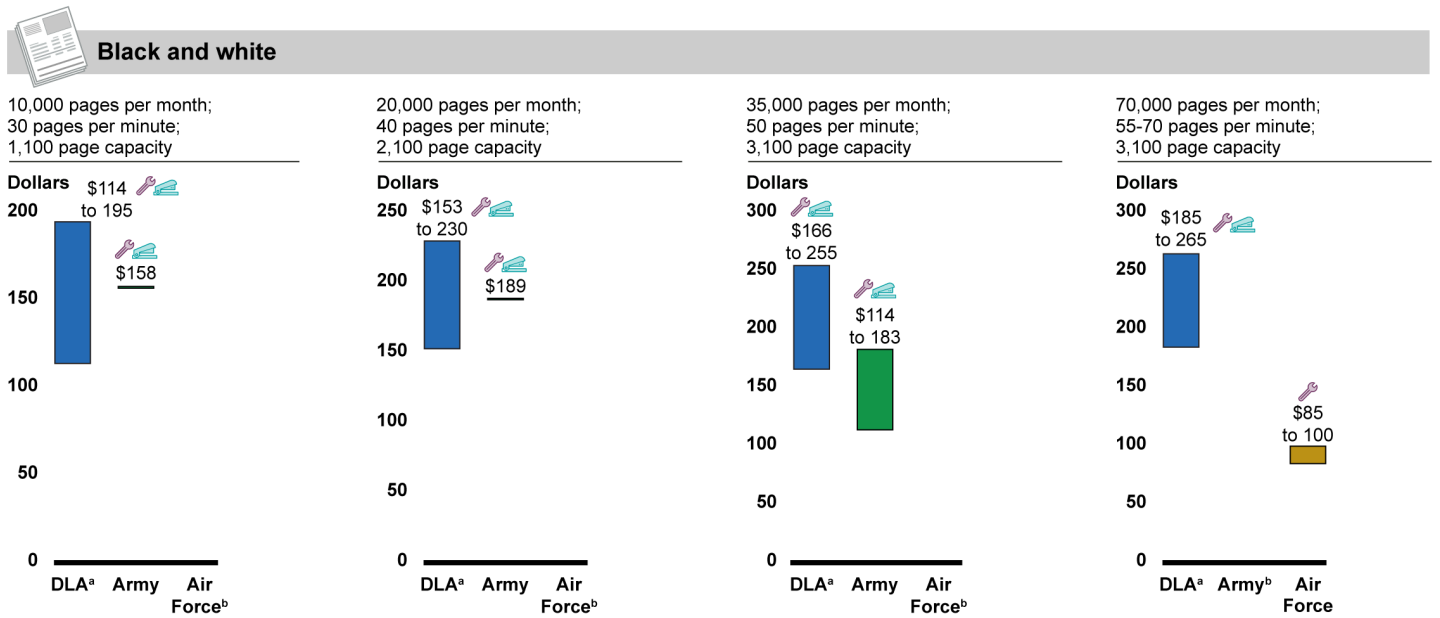
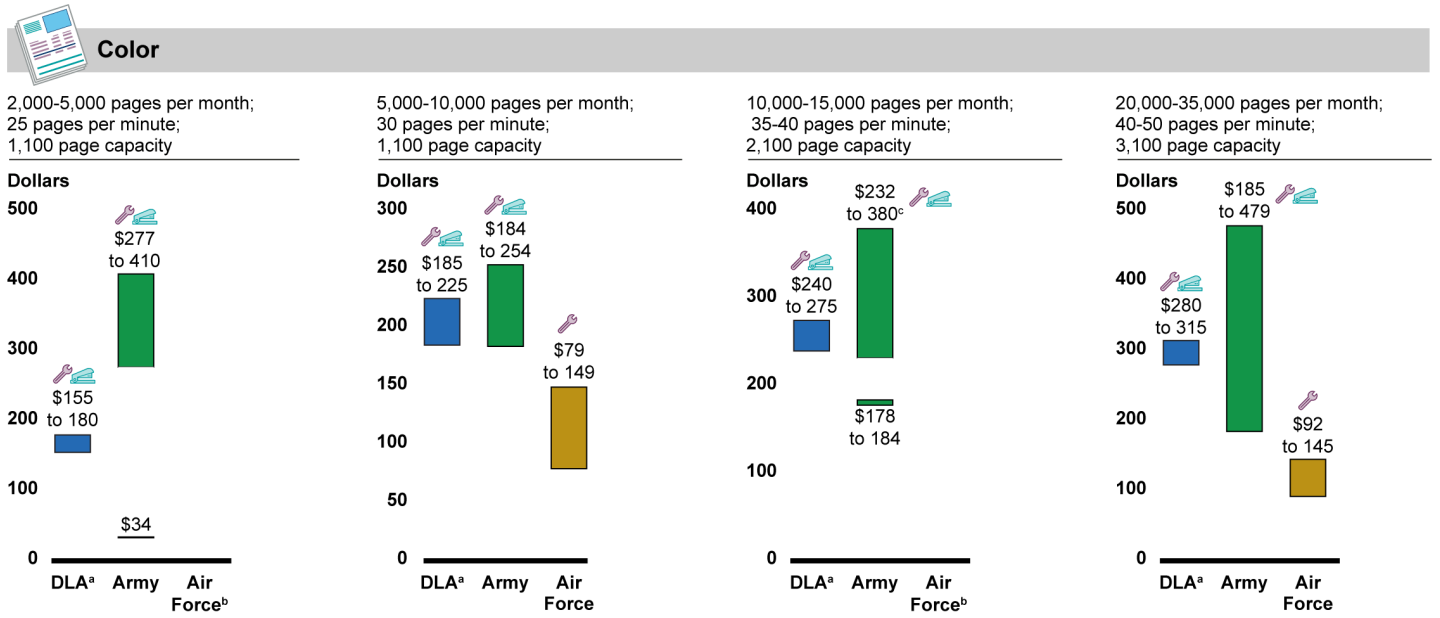
that prices varied widely.²⁸ For example, we found that DLA Document Services offered customers high capacity color multifunction devices for between \$280 and \$315 a month, including maintenance and supplies.²⁹ Vendor quotes we reviewed for similar devices through the Army's mandatory source were for between \$185 and \$479 a month, not including maintenance and supplies, while the cost under the Air Force's mandatory source was between \$92 and \$145, including maintenance but excluding supplies.³⁰

²⁸We did not include the cost of devices offered by the Joint Service Provider, because it primarily serves customers from DOD components outside of the military services, and the military services are the focus of this report. In addition, Joint Service Provider officials noted that it primarily uses a government-wide contract to procure print devices.

²⁹Multifunction devices are devices capable of printing, copying, scanning, and in some cases faxing.

³⁰Army officials were unable to provide data on the cost of multifunction devices purchased by Army customers and instead provided us with documentation of vendor responses to requests for quotes. As a result, costs for the Army represent only prices quoted and not necessarily the cost of the device that a given customer chose to purchase.

Figure 5: Comparisons of Monthly Costs for Defense Logistics Agency (DLA), Army, and Air Force Print Device Procurement Sources



Estimated monthly cost includes maintenance Estimated monthly cost includes supplies

Source: GAO analysis of Department of Defense information. | GAO-19-71

Note: Devices were categorized based on whether they met the minimum specifications listed for a given category. Other factors, including additional device specifications or features (such as handling different paper sizes or the capability to be used on classified networks), may affect device costs but were not accounted for in our analysis.

^aDLA includes devices provided for the Navy and Marine Corps. The range for DLA device costs in each category includes the cost for both unclassified and classified devices.

^bNo equivalent devices in the category are available from this source.

Our prior work on strategic sourcing—an approach to procurement that moves away from numerous individual procurements to a broader aggregate approach—has found that this approach can result in considerable savings.³¹ OMB has also promoted category management—an approach that includes strategic sourcing as well as improving data analysis and more frequently using private sector (as well as government) best practices.³² OMB also encourages the use of multi-agency and government-wide approaches to acquiring goods and services. Our work has further found that collecting and using transactional data—information generated when the government purchases goods or services from a vendor, including specific details such as descriptions, part numbers, quantities, and prices paid for the items purchased—can help ensure that the benefits of strategic sourcing are maintained.³³

The proposed revisions to DOD Instruction 5330.03 would designate the DLA Director as DOD’s single manager for procuring print devices. The current version of the Instruction designates DLA Document Services as the preferred provider for document conversion and automation services, which includes print device procurement services. Further consolidation of print device procurement, such as under DLA Document Services, might reduce costs. However, it is unclear what approach represents the best value to the government. This is because DOD has not conducted an analysis to establish which approach—or approaches—to obtaining print devices would be most cost effective, according to officials from DOD, DLA, and the military services. By assessing which approach to acquiring print devices represents the best value to the department, DOD would be better positioned, as it revises DOD Instruction 5330.03, to

³¹[GAO-17-164](#).

³²Office of Management and Budget, Office of Federal Procurement Policy Memorandum, *Transforming the Marketplace: Simplifying Federal Procurement to Improve Performance, Drive Innovation, and Increase Savings* (Dec. 4, 2014).

³³[GAO-17-164](#).

Meeting Goals to Reduce the Number of Print Devices

establish a policy that consolidates print device procurements and further reduces its costs.

Beginning in fiscal year 2012, the DOD CIO and some of the military services established goals for reducing the number of print devices, which—according to internal DOD analyses—would save millions of dollars annually. DOD’s Chief Information Officer (CIO) issued a memorandum in 2012, which instructed DOD components, including the military services, to issue guidance to, among other things, reduce the number of print devices to one per office space of 12 or fewer users and assess the ratio of printers to employees in larger spaces.³⁴ However, the services have not demonstrated that they have achieved their goals for print device reductions. Specifically, we found the following:

- **Army:** The Secretary of the Army issued guidance in 2013, requiring all Army commands, organizations, and activities to assess print device capacity and plan for reductions if necessary based on the results of those assessments. The guidance noted that those reductions could save millions of dollars annually. The guidance also included a requirement for biannual reporting by all Army commands, organizations, and activities on their print device inventory, number of printing devices required, and annual costs for printing device acquisitions. In June 2014, Army commands reported an average of 5 users for each single function printer, compared to an industry standard of 7 users per device and a DOD goal of one print device per office space of 12 or fewer users and assessing the ratio of printers to employees in larger spaces. According to Headquarters, Department of the Army officials, however, Army commands objected to the workload associated with this reporting requirement and discontinued issuing the reports. As a result, the Army did not follow through with enforcing the reporting, which limited the ability of Army officials to ensure that Army commands achieved the planned reductions.
- **Navy and Marine Corps:** The Department of the Navy established guidance in 2013, directing Department of the Navy officials to work with DLA Document Services to conduct assessments and develop a phased execution plan for the number and type of print devices Navy and Marine Corps organizations require. The guidance also directed Department of the Navy officials to develop policy requiring that the

³⁴DOD Chief Information Officer Memorandum, *Optimizing Use of Employee Information Technology (IT) Devices and Other Information Technologies to Achieve Efficiencies* (Feb. 17, 2012).

acquisition of new devices be exclusively through DLA Document Services. DLA subsequently conducted these assessments and found that the Navy and Marine Corps had an average of one device for every seven users. DLA Document Services recommended further reductions in the number of print devices across the Navy and Marine Corps, which it estimated could save over \$63 million annually. However, Department of the Navy officials were unable to provide us with data on the total number of Navy and Marine Corps print devices that would indicate whether these device reductions and savings had occurred.

- **Air Force:** The Air Force did not issue any guidance based on the CIO memorandum. In response to our review, the Air Force developed draft guidance on print device management, which includes a goal of increasing the ratio of users to devices from 4 users per device to 12 users per device. The draft guidance also includes requirements for quarterly reporting by the Air Force Information Technology Business Analytics Office on the number of devices and related metrics to monitor progress. According to an Air Force analysis, doing so would achieve savings of over \$67 million as it replaces or retires devices. As of July 2018, the Air Force had not fully implemented this guidance.

Efforts by the military services to demonstrate that they have achieved print device reduction goals have been limited because they have not monitored the actions they have taken to reduce the number of print devices. Military service officials we interviewed said they were unaware of any efforts by the DOD CIO to ensure that device reductions occurred and that DOD components achieved their planned savings, such as providing information to the CIO on the status of their efforts to implement the guidance in the memorandum or data on reductions in the number of devices. Standards for internal control state that management should implement control activities through policies that use quality information to achieve an entity's objectives, monitor the internal control system, and evaluate the results of the system.³⁵

Efforts to implement the memorandum to achieve print device reduction goals have also been limited because responsibility for implementation was not clearly assigned. According to a DOD CIO official, the responsibility for the memorandum is not clearly assigned to a member of

³⁵[GAO-14-704G](#).

the CIO staff. This official also stated that because of the consolidation of information technology services in the Pentagon and the national capital region, the Defense Information Systems Agency's Joint Service Provider assumed responsibility for implementing the memorandum. According to Joint Service Provider officials, however, they were only responsible for implementing the memorandum for the customers they serve in the Pentagon and the national capital region, and not for other DOD components outside those areas, such as military services. Standards for internal control state that management should ensure that key roles in operating the internal control system are clearly assigned.³⁶ In the absence of these controls, such as reporting procedures to monitor actions to reduce the number of print devices and establishing clear responsibility for implementing the CIO memorandum, DOD has been unable to ensure that it is achieving any estimated savings, which could represent tens of millions of dollars annually.

Consolidating Locations That Provide Mission Specialty Printing

DLA Document Services may be able to realize additional savings from further consolidating facilities beyond those already identified, but it does not currently plan to do so, and it does not have the complete data it would need to make those determinations. As a part of its transformation plan, DLA Document Services identified 38 of its 112 facilities in the continental United States that it would retain.³⁷ DLA Document Services officials stated that they considered a number of factors in determining whether to consolidate or retain facilities, including the number of staff and customers and the facilities' workloads, but that they generally consolidated or retained facilities based on whether the facility provided "mission specialty" services. These mission specialties are services that DLA Document Services officials believe cannot be easily outsourced, such as printing and reproduction of classified and sensitive documents and on-demand printing and distribution of certain technical materials.

However, our analysis of DLA Document Services data found that some facilities retained for certain mission specialties were responsible for a relatively small share of business for those specialties in fiscal year 2016 (the last full year for which data were provided), which suggests that further consolidations are possible. For example, for each of the four mission specialties for which DLA Document Services provided us with

³⁶[GAO-14-704G](#).

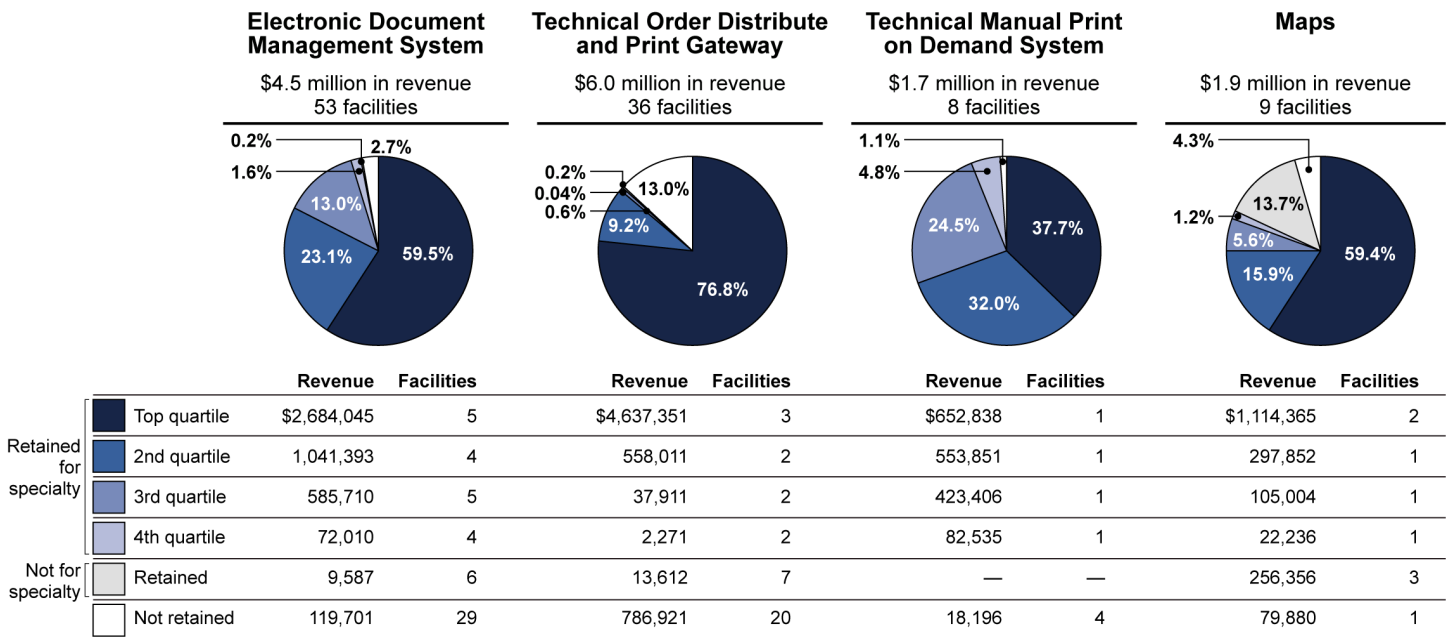
³⁷DLA Document Services also operates 20 facilities outside of the continental United States, which are not affected by its transformation plan.

revenue data, the bottom quartile (25 percent) of the facilities retained for each specialty were responsible for less than 5 percent of the total revenue for that specialty, as shown in figure 6.³⁸ We also found some cases in which DLA Document Services retained facilities that reported less revenue for a given specialty than facilities that it did not retain.³⁹ According to officials, DLA Document Services took a number of factors into consideration in deciding on consolidations, including the complexity of the work at a facility and whether nearby sites could fulfill the orders. According to these officials, this allowed them to consolidate some facilities even if those facilities had greater revenue from a given mission specialty than other facilities.

³⁸DLA Document Service provided data on four mission specialties: the Electronic Document Management System, Technical Order Distribute and Print Gateway, Technical Manual Print on Demand System, and Maps. The Electronic Document Management System is a records management service developed for DLA Distribution that processes hardcopy documents at DLA distribution centers, converts them to digital images, and saves them in a centralized repository. The Technical Order Distribute and Print Gateway is a system developed for the Air Force that prints and distributes technical orders from Air Force Materiel Command at certified facilities and distributes them to the relevant personnel. The Technical Manual Print on Demand System is a service for the Navy that provides for the revision and on-demand printing and distribution of technical manuals. Maps provides the National Geospatial-Intelligence Agency and DLA with Aviation Maps on demand.

³⁹In some cases, DLA also retained facilities that reported revenue for a given specialty, but these facilities were not retained specifically for that specialty. For the purposes of our analysis, we divided into quartiles only those facilities that were designated and retained by DLA for a certain specialty.

Figure 6: Defense Logistics Agency (DLA) Document Services Mission Specialty Revenue for Fiscal Year 2016, With Percent of Total Revenue and Number of Facilities by Category



Source: GAO analysis of Department of Defense information. | GAO-19-71

Note: "Mission specialties" are services that DLA Document Services officials believe cannot be easily outsourced, such as printing and reproduction of classified and sensitive documents and on-demand printing and distribution of certain technical materials. Number of facilities in each category is based only on those facilities that reported any revenue for a given specialty and does not include facilities that did not report revenue. In some cases, DLA Document Services retained facilities that reported revenue for a given specialty, but these facilities were not retained specifically for that specialty. For the purposes of our analysis, we divided into quartiles only those facilities that were designated and retained for a certain specialty.

DOD Instruction 5330.03 requires DLA Document Services to provide effective and efficient document services support to DOD components. Our key practices for efficiency initiatives also note the importance of targeting both short-term and long-term efficiency initiatives.⁴⁰ DLA Document Services officials stated that they would consider additional consolidations of facilities, but they have not conducted any analysis or planning to gain further efficiencies and do not currently have plans to do so. These officials stated they are committed to implementing the current transformation plan as announced. Officials also stated that they want to

⁴⁰GAO-11-908.

have a better sense of the results from the current transformation, including how workloads may change among facilities as consolidations occur, before considering additional consolidations. DLA Document Services' current transformation plan includes the possible consolidation of facilities outside the continental United States following the implementation of its current plan (which only addressed facilities inside the continental United States); it does not have any plans for further consolidations within the continental United States.

We also found that DLA Document Services did not have revenue data on all of its mission specialties to inform any future decisions on facility consolidations. Standards for internal control state that entities' management should use quality information to achieve the entities' objectives.⁴¹ However, DLA Document Services could not provide revenue data on three specific mission specialties—sensitive, classified, and Naval Nuclear Propulsion Information—for which it retained 30 of its facilities, including some that it retained exclusively for those specialties.⁴² According to DLA Document Services officials, they did not collect revenue data for these mission specialties because the facilities responsible for processing this type of information were generally retained, regardless of the revenue they produced, due to the sensitive nature of this work. As noted above, our analysis of available mission specialty data found that some facilities that DLA retained for certain mission specialties did a relatively small share of business for those specialties, indicating that there may be opportunities for additional facility consolidations. DLA Document Services officials told us that they had consulted with managers at the facilities about the amount of sensitive and classified they conducted. Because of these consultations, DLA Document Services is closing some facilities that handled sensitive and classified information. However, DLA Document Services does not routinely collect these data as it does for other mission specialties. By collecting and analyzing more complete revenue data on its mission specialties and using those data to evaluate opportunities for further consolidations, DLA Document Services would be better positioned to determine if opportunities exist to achieve additional cost savings.

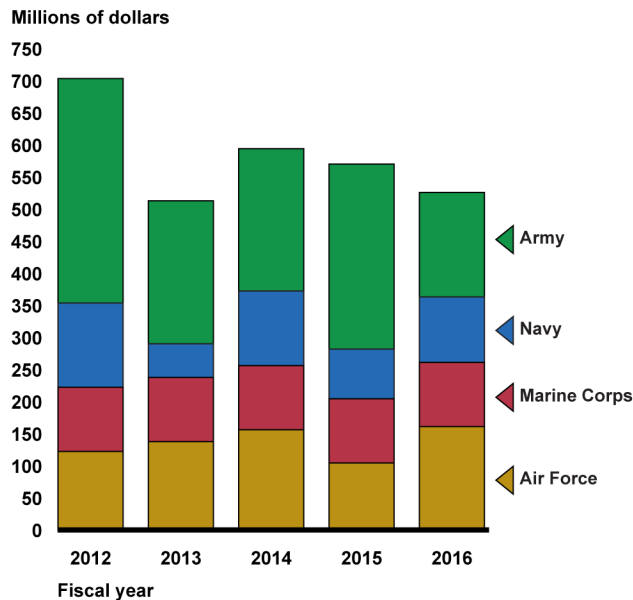
⁴¹GAO-14-704G.

⁴²Naval Nuclear Propulsion Information is classified or unclassified information concerning the design, arrangement, development, manufacture, testing, operation, administration, training, maintenance, and repair of the propulsion plants of naval nuclear-powered ships and prototypes, including associated shipboard and shore-based nuclear support facilities.

DOD Does Not Report Accurate Financial Information about Its Document Services

DOD reports some financial information regarding its document services, but this information does not accurately capture the scope of its document services mission. We reviewed the O&M obligations for printing and reproduction in fiscal years 2012 through 2016 that were reported to Congress by the military services. The total obligations ranged from about \$534 million to about \$736 million annually for the 5-year period (see fig. 7).⁴³

Figure 7: Total Operation and Maintenance (O&M) Obligations for Spending on Printing and Reproduction Reported by the Military Services, Fiscal Years 2012 through 2016



Source: GAO analysis of Department of Defense budget information. | GAO-19-71

Note: DOD also incurs obligations for printing and reproduction activities in other appropriations accounts, such as Research, Development, Test, and Evaluation (RDT&E) and Procurement, but we did not include those obligations.

⁴³We limited our analysis of operation and maintenance (O&M) obligation spending to the military services because they accounted for an average of about 92 percent of DOD's total document service-related costs that were reported by DLA for fiscal years 2010 through 2015. DOD also incurs obligations for printing and reproduction activities in other appropriations accounts, such as Research, Development, Test and Evaluation, and Procurement, but we did not assess those obligations in this report.

Our analysis found that DOD's O&M budget materials for printing and reproduction are inaccurate in two ways. First, the budget materials include obligations that are primarily for non-printing activities, such as the purchase of advertising and radio and television time. DOD and military service financial management officials prepare budget justification materials for their O&M funding requests on an annual basis. DOD and the services report printing and reproduction costs in the Summary of Price and Program Changes budget exhibit (the "OP-32"). It contains information by line item, detailing, among other items, printing and reproduction and related operations performed by the military services, DLA, or GPO. It also contains elements of expenses for purchases related to document services that are provided by DLA. The OP-32 exhibits are provided to Congress with the budget justification materials accompanying the President's annual budget request.

Officials from AMRG told us that, in accordance with Army guidance, printing and reproduction obligations are coupled with other obligations, including the purchase of advertising space and radio and television time for recruiting activities. Data provided by these officials show that in fiscal year 2016, AMRG's obligations for printing and reproduction accounted for only about \$2 million, or 2 percent, of the Army's total fiscal year 2016 obligations included in the printing and reproduction line of the OP-32. Obligations for the publication of notices, advertising, and radio and television time accounted for about \$78 million, or 63 percent, of the obligations reported for printing and reproduction. According to officials, the Navy, Air Force, and Marine Corps also follow their respective guidance on reporting printing and reproduction obligations together with these other obligations.

Second, the budget justification information does not represent the full scope of the military services' document services mission. Specifically, we found that the military services' annual budget requests do not provide distinct information on two areas of their document services mission—print device procurement and electronic content management. Data we reviewed indicate that the military services obligate a considerable amount of resources in these areas. For example, according to DLA Document Services, sales to DOD and the military services for its print device services are comparable to sales for its printing and reproduction services. According to DLA data, in fiscal year 2017, it received in revenue about \$108 million for print device and about \$105 million for printing and reproduction services. Officials from the military services told us that obligations for these activities are included within the budget requests for various IT procurement categories. For example, Army

Budget Office officials noted that the budget request for IT procurement and office supplies would include estimates associated with the purchase and sustainment of devices, but those line items would include other, non-printing obligations as well. According to these officials, the Army has made efforts to standardize the procurement of information technology, including collecting better data on spending for these types of devices. They told us that these efforts will result in shifts in how those obligations are reported in budget justification materials.

The accuracy and completeness of DOD's financial information about its document services can affect the allocation of budgetary resources, and inaccurate or incomplete information can hamper initiatives to gain further efficiencies. The *Handbook of Federal Accounting Standards* states that its managerial cost accounting concepts and standards are aimed at agencies providing reliable and timely information on the full costs of their federal programs that congressional and executive decision makers can use in making decisions about allocating federal resources and program managers can use in making decisions to improve operating economy and efficiency.⁴⁴ DOD's Financial Management Regulation lays out the structure of the budget exhibits that the military services develop during the department's budget process. According to a DOD Comptroller official, DOD has historically reported its budget requests following the format prescribed by the Financial Management Regulation, and it follows this format in its reporting of printing and reproduction costs that are coupled with non-printing costs.

Although the department has followed this format, the House Armed Services Committee has expressed concern about the military services' printing budgets, noting that they were excessive and that portions of the budgets should be realigned to address unfunded readiness priorities.⁴⁵ Further, as we discussed earlier in this report, DOD has outlined specific steps it intends to take to achieve a recommended goal of 34 percent reduction in spending on its printing and related activities. Without quality information on the scope of its document services mission, DOD will lack the information it needs to assess whether it is achieving this goal. To assess its progress toward achieving this goal, it will be critical for decision makers to have accurate financial information. According to a

⁴⁴Federal Accounting Standards Advisory Board, *Handbook of Federal Accounting Standards and Other Pronouncements, as Amended* (Washington, D.C.: June 30, 2017).

⁴⁵H.R. Rep. No. 115-200 at 96 (2017).

DOD Comptroller official, the Financial Management Regulation provides flexibility in how obligations are categorized and reported internally and to Congress, but DOD has not evaluated options to report more accurate funding information on its document services. Unless DOD evaluates options to report more accurate funding information and takes steps to improve the accuracy of its budgetary and financial information reporting, DOD and Congress will not have the full visibility over these costs that they need to make informed decisions.

Conclusions

DOD is taking important steps to address congressional concerns about its spending on document service activities. Most notably, DOD is implementing its plan to transform its DLA Document Services mission and has taken certain steps to reduce the number and cost of print devices. These efforts have begun to produce results, but DOD can do more to build on these gains. By better managing fragmentation in printing and reproduction services, DOD could ensure that DLA Document Services is providing the best value in obtaining document services. DOD could further reduce overlap in print device procurement by assessing the various approaches employed by DLA and the military services to determine what constitutes the most cost-effective approach for the department.

DOD has set goals intended to reduce the number of print devices and realize tens of millions of dollars in savings each year, but it has not demonstrated that it has achieved these savings, because of limitations in internal controls. Additional efforts aimed at collecting and analyzing information to examine areas for further consolidation of DLA Document Services' mission specialty locations might provide DOD with additional cost savings. DOD's O&M budget materials for printing and reproduction activities include information on non-printing activities that make up a much larger portion of its reported spending than printing does. In addition, these O&M budget materials omit information that would capture the full scope of DOD's document services mission, such as device procurement and electronic content management, which are included with information technology budget materials. By providing more accurate costs for its document services activities, DOD would ensure that Congress and departmental leaders have the insight needed to make informed decisions.

Recommendations for Executive Action

We are making a total of six recommendations to DOD.

The Secretary of Defense should ensure that the Under Secretary of Defense for Acquisition and Sustainment assesses whether DLA Document Services' single manager role for printing and reproduction provides the best value to the government—as determined by quality, price, and delivery time and in light of DLA Document Services' transformation plan—and whether any additional efficiencies are possible, and use the results of that assessment to inform the revision of DOD Instruction 5330.03. (Recommendation 1)

The Secretary of Defense should ensure that the Under Secretary of Defense for Acquisition and Sustainment assesses whether DOD's current approach to obtaining print devices represents the best value to the government or whether other approaches, such as further consolidations under DLA Document Services as a proposed single manager for print device procurement, would be more cost effective. (Recommendation 2)

The Secretary of Defense should ensure that the DOD CIO implements controls, such as reporting procedures, to routinely monitor actions to reduce the number of print devices, consistent with department-wide goals for reducing the number of print devices that are included in the CIO's 2012 memorandum. (Recommendation 3)

The Secretary of Defense should ensure that the DOD CIO assigns responsibility for implementing the CIO's 2012 memorandum on optimizing the use of employee information technology devices. (Recommendation 4)

The Secretary of Defense should ensure that the Director, DLA, in coordination with the Director, DLA Document Services and following implementation of the current transformation plan, gathers data on workload revenue at retained facilities and all mission specialties and evaluate whether additional opportunities for consolidation exist based on those data. (Recommendation 5)

The Secretary of Defense should ensure that the Under Secretary of Defense (Comptroller), in consultation with the military services and DLA, evaluates options to report more accurate funding information and takes steps to improve the accuracy of its budgetary and financial information reporting on document services internally and to Congress, including making distinctions between printing and non-printing-related costs and

information on device procurement and electronic content management. This information could be provided as part of DOD's annual O&M budget justification materials. (Recommendation 6)

Agency Comments and Our Evaluation

We provided a draft of this report to DOD for review and comment. In its written comments, DOD concurred with five recommendations and identified specific actions and time frames for addressing them, and it partially concurred with the remaining recommendation. DOD's written comments are reprinted in their entirety in appendix II. DOD also provided technical comments, which we incorporated into the report, where appropriate.

DOD partially concurred with our recommendation that the Under Secretary of Defense (Comptroller), in consultation with the military services and DLA, evaluate options to report more accurate funding information and take steps to improve the accuracy of budgetary and financial information reporting on document services internally and to Congress, including making distinctions between printing and non-printing-related costs and information on device procurement and electronic content management. Our recommendation noted that this information could be provided as part of DOD's annual O&M budget justification materials. DOD stated that the budget materials it submits to Congress are in compliance with OMB Circular A-11's definitions of printing and reproduction and equipment. It further noted that Working Capital Fund exhibits provided with each annual budget include a breakout, by service, of the appropriated and Working Capital Fund activities and a detailed accounting of unit cost and pricing for all sub-activities of DLA Document Services.

As we noted in our report, a DOD Comptroller official told us that the Financial Management Regulation provides DOD with flexibility in categorizing and reporting obligations internally and to Congress. However, we found that, based on this flexibility, DOD's O&M budget materials reported obligations for printing and reproduction that were primarily for non-printing activities, such as the purchase of advertising and radio and television time. This budget information did not represent the full scope of DOD's document services mission, since it omitted obligations for print device procurement and electronic content management. We also reported that DOD had not evaluated options to report more accurate funding information on its document services. DOD's comments did not include plans to address this recommendation. We continue to believe that by providing more accurate costs for its

document services activities, DOD would ensure that Congress and departmental leaders have the insight needed to make more informed decisions.

We are sending copies of this report to the appropriate congressional committees, the Secretary of Defense, the DOD Chief Information Officer, the Under Secretary of Defense (Comptroller), the Under Secretary of Defense for Acquisition and Sustainment, the Director, Defense Logistics Agency, the Secretaries of the Army, Navy, and Air Force, and the Commandant of the Marine Corps. In addition, the report is available at no charge on the GAO website at <http://www.gao.gov>.

If you or your staff have any questions about this report, please contact me at (202) 512-2775 or fielde1@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made key contributions to this report are listed in appendix III.



Elizabeth Field
Acting Director, Defense Capabilities and Management

Appendix I: Objectives, Scope, and Methodology

Our objectives were to evaluate (1) the progress the Department of Defense (DOD) has made in achieving efficiencies in its document services and opportunities, if any, for further efficiencies, and (2) the extent to which DOD reports accurate financial information about its document services to key stakeholders.

For our first objective, we reviewed DOD documents and interviewed DOD officials in order to understand how each military service obtains document services and identify department-wide and military service efficiency initiatives for these services. We also reviewed the Defense Logistics Agency's (DLA) and the military services' document services activities and compared them with a DOD statutory periodic review;¹ DOD Instructions and other guidance;² Office of Management and Budget (OMB) guidance;³ internal control standards;⁴ and best practices for consolidation initiatives, efficiency initiatives, and strategic sourcing⁵ to identify any potentially unnecessary duplication, overlap, or fragmentation and any opportunities for greater efficiencies. For specific efficiency initiatives identified by DOD officials or in DOD documents, we interviewed DOD officials regarding their progress in implementing and meeting the goals of these initiatives.

¹See 10 U.S.C. §192(c).

²See Department of Defense (DOD) Instruction 5330.03; DOD Instruction 5025.01, *DOD Issuances Program* (Aug. 1, 2016) (incorporating change 2, effective Dec. 22, 2017); DOD Chief Information Officer Memorandum, *Optimizing Use of Employee Information Technology (IT) Devices and Other Information Technologies to Achieve Efficiencies* (Feb. 17, 2012).

³See Office of Management and Budget (OMB), Office of Federal Procurement Policy Memorandum, *Transforming the Marketplace: Simplifying Federal Procurement to Improve Performance, Drive Innovation, and Increase Savings* (Dec. 4, 2014).

⁴GAO, *Standards for Internal Control in the Federal Government*, [GAO-14-704G](#) (Washington, D.C.: Sep 10, 2014).

⁵GAO, *Streamlining Government: Questions to Consider When Evaluating Proposals to Consolidate Physical Infrastructure and Management Functions*, [GAO-12-542](#) (Washington, D.C.: May 23, 2012); GAO, *Streamlining Government: Key Practices from Select Efficiency Initiatives Should be Shared Governmentwide*, [GAO-11-908](#) (Washington, D.C.: Sep. 30, 2011); GAO, *Strategic Sourcing: Opportunities Exist to Better Manage Information Technology Services Spending*, [GAO-15-549](#) (Washington, D.C.: Sep. 22, 2015); GAO, *Federal Procurement: Smarter Buying Initiatives Can Achieve Additional Savings, but Improved Oversight and Accountability Needed*, [GAO-17-164](#) (Washington, D.C.: Oct. 26, 2015).

To evaluate DLA Document Services' transformation plan, we interviewed DLA Document Services officials, reviewed DLA Document Services documents regarding the plan, and assessed that plan based on leading practices for consolidation and efficiency initiatives.⁶ To assess the plan against these practices, one analyst reviewed the testimony and documents provided and compared it to our key questions to consider when evaluating proposals to consolidate physical infrastructure and management functions. A second analyst reviewed and concurred with the first analyst's assessments. In any cases where there was a disagreement, the analysts discussed any discrepancies. If they were not resolved, a third analyst reviewed the assessments.

To assess the extent to which there may be additional opportunities for facility consolidations, we obtained DLA Document Services data on revenue reported by each facility, which DOD Document Services officials told us they used in determining which facilities to consolidate as a part of their transformation plan. We analyzed the share of mission specialty revenue reported by facilities that (1) were retained by DLA Document Services for a given mission specialty, (2) were retained but not for a given specialty, and (3) were not retained. We further divided those facilities retained for a given specialty into quartiles to better understand the concentration of revenue in those facilities. To assess the reliability of these data, we interviewed DLA Documents Services officials regarding how the data were gathered, analyzed, reported, and used. We found that these data were reliable for the purpose of analyzing the shares of mission specialty revenue represented by each facility or group of facilities.

To compare the cost of print devices offered by DLA Document Services, the Army, and the Air Force, we gathered and analyzed data on the monthly cost of multifunction devices with comparable specifications. We compared costs for similar devices based on device specifications including print speeds, monthly volumes, and paper capacities. Because Army and Air Force costs are estimated and there might be other differences in device specifications, approaches to obtaining devices, and which associated services were included, this analysis does not allow us to conclude which sources provide the greatest value. However, it illustrates differences in the cost of print devices across sources.

⁶[GAO-12-542](#).

- For DLA Document Services, we used DLA Document Services' standard monthly pricing for 2018 for various categories of multifunction devices.
- For the Army, Army officials were unable to provide data on the cost of multifunction devices purchased by Army customers. Instead, they provided us with documentation of vendor responses to requests for quotes from the Army's mandatory source for print devices from April 2017 through January 2018. We reviewed those documents and assigned each device to a DLA Document Services category, based on the device's specifications as identified in the documentation. We then estimated the monthly cost for each device. For leased devices, we used the monthly cost of the lease. For purchased devices, we used the total cost of the device divided by an estimated service life for the device. We estimated this service life using some indication available in the documentation, such as the length of time a maintenance agreement or extended warranty was provided for the device. Army officials provided 183 quotes for devices. Of those, we were able to include 24 in our analysis. We excluded the other 159 because either we could not determine the cost for individual devices in a quote, there was not enough information on a device's specifications, there was no DLA Document Services equivalent for the device, or we were unable to estimate a service life based on the information provided. Because the information included all vendor quotes provided and not just those that were selected by a customer, the costs may not represent the actual costs of devices to the customer.
- For the Air Force, we used an estimated average monthly cost based the standard pricing included in the Air Force's 2018 catalog for print devices. We reviewed the catalog and assigned each multifunction device offered to a DLA Document Services category, based on the devices' specifications. The Air Force's catalog contained 32 devices; we were able to determine the equivalent DLA Document Services category for 13 of those devices. All devices in the Air Force's catalog are available for purchase and include a 4-year maintenance agreement; therefore, we estimated the average monthly cost as the purchase price divided by 48.

To evaluate the extent to which DOD reports accurate and complete financial information to key stakeholders to manage its document services, we analyzed DOD's operation and maintenance (O&M) budget justification materials for fiscal years 2012 through 2016 and Defense Logistics Agency data on its document services mission. We focused our

review on O&M obligations reported by DLA and the military services, which accounted for an average of about 92 percent of DOD's total document service costs reported by DLA Document Services in fiscal years 2012 through 2016.⁷ We interviewed officials, including officials from the Office of the Under Secretary of Defense (Comptroller), DLA Document Services, and the military services to determine how they reported costs for document services. We assessed the information we collected against federal accounting standards on how information should be recorded and communicated to management and others.⁸ To determine the reliability of the O&M budget justification data provided to us by DOD, we obtained information on how the data were collected, managed, and used through interviews with relevant officials. We determined that the data were sufficiently reliable to represent the military services' total O&M obligations for document services for fiscal years 2012 through 2016.

We interviewed officials and, where appropriate, obtained documentation, from the following organizations:

- Office of the Under Secretary of Defense for Acquisition, Technology and Logistics
- Office of the Under Secretary of Defense (Comptroller)
- Department of Defense Chief Information Officer
- Defense Logistics Agency – Chief Information Officer
- Defense Logistics Agency – Document Services
- Defense Information Systems Agency – Joint Service Provider
- National Guard Bureau
- Army
 - Army Chief Information Officer
 - Army Publishing Directorate

⁷DOD also incurs obligations for printing and reproduction activities in other appropriations accounts, such as Research, Development, Test and Evaluation and Procurement, but we did not assess those obligations in this report.

⁸Federal Accounting Standards Advisory Board, *Handbook of Federal Accounting Standards and Other Pronouncements, as Amended* (June 30, 2017). We are continuing to assess data reliability as it relates to DOD's budget justification information and DLA operational data.

- Army Budget Office
- Army Marketing Research Group
- Army 7th Signal Command
- Army National Guard
- Air Force
 - Headquarters Air Force – Chief Information Officer
- Navy
 - Department of the Navy – Chief Information Officer
- Marine Corps
 - Headquarters Marine Corps Command, Control, Communications, and Computers
 - Headquarters Marine Corps Publishing and Logistics
 - Headquarters Marine Corps Budget and Execution
 - Marine Corps Combat Camera
 - Marine Corps Reprographic Equipment Management Program
- Government Publishing Office

We conducted this performance audit from August 2017 to October 2018 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Appendix II: Comments from the Department of Defense



LOGISTICS AND
MATERIEL READINESS

OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE
3500 DEFENSE PENTAGON
WASHINGTON, DC 20301-3500

September 27, 2018

Ms. Elizabeth Field
Acting Director, Defense Capabilities and Management
U.S. Government Accountability Office
441 G Street, N.W.
Washington, DC 20548

Dear Ms. Field:

This is the Department of Defense (DoD) response to the Government Accountability Office (GAO) Draft Report, GAO-19-71, "DOCUMENT SERVICES: DOD Should Take Actions to Achieve Further Efficiencies" dated August 30, 2018 (GAO Code 102234). Detailed comments on the report recommendations are enclosed.

Sincerely,

A handwritten signature in black ink, appearing to read "Eric D. Chewning", is written over a thin horizontal line. The signature is stylized and extends to the right.

Eric D. Chewning
Performing the Duties of the ASD(L&MR)

Enclosure:
As stated

GAO Draft Report Dated August 30, 2018
GAO-19-71 (GAO CODE 102234)

“DOCUMENT SERVICES: DOD SHOULD TAKE ACTIONS TO ACHIEVE FURTHER
EFFICIENCIES”

DEPARTMENT OF DEFENSE COMMENTS
TO THE GAO RECOMMENDATIONS

RECOMMENDATION 1: The Secretary of Defense should ensure that the Under Secretary of Defense for Acquisition and Sustainment assesses whether Defense Logistics Agency (DLA) Document Services’ single manager role for printing and reproduction provides the best value—as determined by quality, price, and delivery time and in light of the DLA Document Services’ transformation plan—and whether any additional efficiencies are possible, and use the results of that assessment to inform the revision of DoD Instruction 5330.03.

DoD RESPONSE: Concur. The Under Secretary of Defense for Acquisition and Sustainment will oversee the execution of a third party study to examine and validate assumptions and outputs established in in DLA Document Services’ Transformation Plan. This study will also include analysis of the value proposition for the Department of using DLA as the single manager for printing and reproduction services using available historical data from the military services and from DLA. We anticipate this study to be complete by September 30, 2019. These findings will inform the revision of DoD Instruction 5330.03.

RECOMMENDATION 2: The Secretary of Defense should ensure that the Under Secretary of Defense for Acquisition and Sustainment assesses whether DoD’s current approach to obtaining print devices represents the best value to the government or whether other approaches, such as further consolidations under DLA Document Services as a proposed single manager for print device procurement, would be more cost effective.

DoD RESPONSE: Concur. The Under Secretary of Defense for Acquisition and Sustainment will oversee the execution of a third party study to examine and validate assumptions and outputs established in in DLA Document Services Transformation Plan. This study will also include analysis of the value proposition for the Department of using DLA as the single manager for print device procurement using available historical data from the military services and from DLA. We anticipate this study to be complete by September 30, 2019.

RECOMMENDATION 3: The Secretary of Defense should ensure that the DoD Chief Information Officer (CIO) implement controls, such as reporting procedures, to routinely monitor actions to reduce the number of print devices consistent with department-wide goals for reducing the number of print devices and related items and services included in the CIO’s 2012 memorandum.

DoD RESPONSE: Concur. Aligned with the forthcoming revision of DoD Instruction (DoDI) 5330.03 as cited in the response to recommendation 1, and with the results of the study to be undertaken in response to recommendation 2, the DoD CIO will collaborate with the Under Secretary of Defense for Acquisition and Sustainment to codify the necessary responsibilities, policy and procedures in the revised DoDI 5330.03.

RECOMMENDATION 4: The Secretary of Defense should ensure that the DoD CIO assigns responsibility for implementing the CIO's 2012 memorandum on optimizing the use of employee information technology devices.

DoD RESPONSE: Concur. Aligned with the forthcoming revision of DoD Instruction (DoDI) 5330.03 as cited in the response to recommendation 1, and with the results of the study to be undertaken in response to recommendation 2, the DoD CIO will collaborate with the Under Secretary of Defense for Acquisition and Sustainment to codify the necessary responsibilities, policy and procedures in the revised DoDI 5330.03.

RECOMMENDATION 5: The Secretary of Defense should ensure that the Director, Defense Logistics Agency (DLA), in coordination with the Director, DLA Document Services and following implementation of the current transformation plan, gather data on workload revenue at retained facilities and all mission specialties and evaluate whether additional opportunities for consolidation exist based on those data.

DoD RESPONSE: Concur. The Under Secretary of Defense for Acquisition and Sustainment will oversee the execution of a third party study. We anticipate this study to be complete by September 30, 2019. In addition, DLA will collect and track information and metrics on costs per category of service. Using these data and information inputs, DLA will make a determination regarding the value of additional site consolidation on a continual basis. DLA will continue to evaluate opportunities for consolidations through the transformation based on workload, services required, and capabilities. Since the transformation started, DLA has already added two additional production facilities that are being consolidated, in addition to the original 74 facilities. Using all data inputs, DLA will determine the final number of site consolidations by November 2019.

RECOMMENDATION 6: The Secretary of Defense should ensure that the Under Secretary of Defense(Comptroller), in consultation with the military services and Defense Logistics Agency (DLA), evaluates options to report more accurate funding information and takes steps to improve accuracy of its budgetary and financial information reporting on document services internally and to Congress, including making distinctions between printing and non-printing-related costs and information on device procurement and electronic content management. This information be provided as part of the DoD's annual O&M budget justification materials.

DoD RESPONSE: Partially Concur. The Budget Materials the DoD submits to Congress are in compliance with Office of Management and Budget (OMB) Circular A-11's definitions of printing and reproduction contained in Object Class 24.0, as well as equipment as contained in

Object Class 31. Further, the Working Capital Fund exhibits provided with each annual budget include a breakout, by Service, of the appropriated and Working Capital Fund activities, and a detailed accounting of unit cost and pricing for all sub-activities of the DLA Document Services.

Appendix III: GAO Contact and Staff Acknowledgments

GAO Contact

Elizabeth Field (202) 512-2775 or fielde1@gao.gov

Staff Acknowledgments

In addition to the contact named above, Matthew Ullengren (Assistant Director), Adam Hatton (Analyst in Charge), Adam Brooks, Joanne Landesman, Amie Lesser, Daniel Ramsey, Carter Stevens, and Walter Vance made key contributions to this report.

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