



Highlights of [GAO-04-722](#), a report to congressional requesters

## INFORMATION TECHNOLOGY

# DOD's Acquisition Policies and Guidance Need to Incorporate Additional Best Practices and Controls

### Why GAO Did This Study

The way in which the Department of Defense (DOD) has historically acquired its business systems has been cited as a root cause for its limited success in delivering promised system capabilities and benefits on time and within budget. In response, DOD recently revised its systems acquisition policies and guidance to incorporate best practices, including those pertaining to business systems.

GAO was asked to determine whether DOD's revised systems acquisition policies and guidance (1) are consistent with industry best practices, including those pertaining to commercial component-based systems, and (2) provide the necessary controls to ensure that DOD component organizations adhere to the practices.

### What GAO Recommends

To improve DOD's ability to acquire IT business systems, GAO recommends that the Secretary of Defense incorporate additional best practices in DOD's acquisition policies and guidance, and that the department strengthen controls for ensuring that best practices are appropriately followed.

In commenting on a draft of this report, DOD agreed or partially agreed with our recommendations for incorporating additional best practices, but did not agree that it needed (1) a plan to govern its incorporation of these practices or (2) stronger controls for ensuring that best practices are followed.

[www.gao.gov/cgi-bin/getrpt?GAO-04-722](http://www.gao.gov/cgi-bin/getrpt?GAO-04-722).

To view the full product, including the scope and methodology, click on the link above. For more information, contact Randolph C. Hite at (202) 512-3439 or [hiter@gao.gov](mailto:hiter@gao.gov).

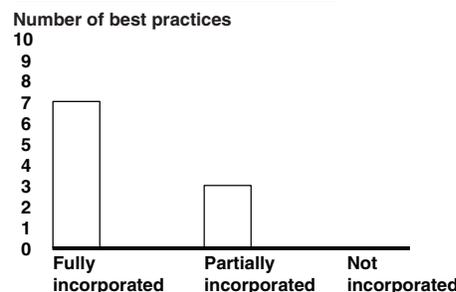
### What GAO Found

DOD's revised policies and guidance largely incorporate 10 best practices for acquiring any type of information technology (IT) business system. For example, the revisions include the requirement that acquisitions be economically justified on the basis of costs, benefits, and risks. However, the revisions generally do not incorporate 8 best practices relating to the acquisition of commercial component-based systems. For example, they do not address basing any decision to modify commercial components on a thorough analysis of the impact of doing so or on preparing system users for the business process and job roles and responsibilities changes that are embedded in the functionality of commercial IT products. In total, GAO found that DOD's acquisition policies and guidance fully incorporate 8 of the 18 best practices that they were evaluated against, partially incorporate 5 practices, and do not incorporate the remaining 5 practices (see figure). DOD intends to expand its acquisition guidance to incorporate additional best practices by September 30, 2004, but department officials cite other priorities as a reason why they have not been able to complete this effort and could not provide a plan specifying how this will be accomplished. Until DOD's revised policies and guidance incorporate key systems acquisition best practices, the risk that system investments will not consistently deliver promised capabilities and benefits on time and within budget is increased.

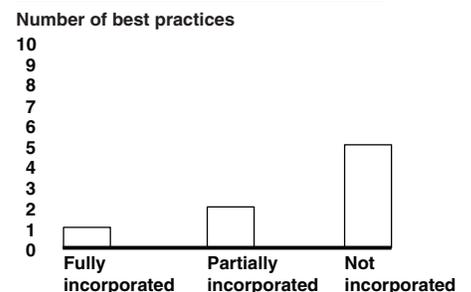
DOD's revised policies also do not contain sufficient controls to ensure that DOD components appropriately follow the best practices that are incorporated in its policies and guidance. According to acquisition best practices experts, as well as GAO's internal control guidance, controls are effective if they are backed by measurements that are verified. Although the revised policies and guidance require acquisition managers to examine and, as appropriate, adopt best practices, they do not cite what that examination entails. DOD believes existing controls are sufficient, even though these controls do not provide for measuring and validating the practices' use. Without specific requirements to measure and validate the use of best practices, the risk that they will not be followed increases, which, in turn, increases the risk that system investments will not meet expectations.

### DOD Incorporation of Best Practices

Relevant to any IT business systems acquisition



Relevant to commercial component-based IT business systems acquisitions



Source: GAO, based on analysis of DOD data.