MEMORANDUM FOR DISTRIBUTION


Attached for the week ending April 25, 2014, are three new GAO announcements and highlights for three GAO final reports. There were three cases transferred to Audit Follow-Up during this period.

Larry D. Turner
Acting Assistant Inspector General
for Communications and Congressional Liaison

Attachment:
As stated

cc:
Posted In GAO Affairs Internet Page
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### April 25, 2014

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Information on New Engagement

**Engagement subject:** Global Security Contingency Fund

**Engagement code:** 100028

**Source for the work:** Consistent with our Congressional Protocols, GAO is beginning this work in response to the congressional mandate in P.L. 113-66 §1202.

**Objective(s)/Key question(s):** The Comptroller General is directed to review:

1) The process the Department of State and Department of Defense, including the defense agencies and the combatant commands, uses to identify proposed global security contingency fund activities;

2) The extent to which the Department of Defense, in conjunction with the Department of State, has procedures in place to review, prioritize, and approve activities to be funded through the global security contingency fund and coordinates those activities with other programs to build partner capacity; and

3) The extent to which the Department of Defense, in conjunction with the Department of State, has developed a monitoring and evaluation framework to measure the effectiveness of the activities implemented and funded by the global security contingency fund.

**Agencies and anticipated locations to be notified:** The Offices of the Secretary of Defense (Under Secretary of Defense for Policy; Assistant Secretary of Defense for International Security Affairs; Assistant Secretary of Defense for Special Operations and Low-Intensity Conflict; Under Secretary of Defense Comptroller, and others as necessary), the geographic combatant commands and other Department of Defense organizations as appropriate. We will provide prior notice for visits to field locations.
Enclosure

Information on a new GAO engagement

Engagement subject: Federal Mobile Telecommunications

Engagement code: 311400

Source for the work: GAO has begun this work in response to a request made by the Chair of the House Subcommittee on Government Operations, Committee on Oversight and Government Reform.

Key question(s):

1) To what extent have federal agencies developed enterprise-wide inventories of mobile devices and wireless services, and established processes to maintain them?

2) To what extent have agencies established effective processes and procedures for monitoring and controlling spending on mobile devices and wireless services?

Agencies and anticipated locations to be notified: We would appreciate your notifying the appropriate department officials.

Other departments/agencies to be contacted: This is a government-wide review.
Enclosure

Information on New Engagement

Engagement subject: BRAC Homeless Assistance

Engagement code: 351920

Source for the work: GAO is beginning this work on its own initiative pursuant to its authority under 31 U.S.C. 717.

Issue(s) under review/Objective(s)/Key question(s): (1) How many and what types of properties disposed of during BRAC 2005 were provided to homeless assistance agencies? (2) To what extent have DOD and HUD, working through local redevelopment authorities, met the provisions for homeless assistance? (3) What challenges, if any, has meeting the homeless assistance provisions presented in reusing BRAC properties?

Agencies and anticipated locations (HQ and field) to be notified: Office of Economic Adjustment, U.S. Army Corps of Engineers, Navy Facilities Engineering Command, Air Force Base Conversion Agency, Base Transition Coordinators, BRAC Environmental Coordinators

Other departments/agencies to be contacted: Department of Housing and Urban Development

[Redacted text]
April 25, 2014

Congressional Committees

Department of Defense’s Waiver of Competitive Prototyping Requirement for the Army’s Armored Multi-Purpose Vehicle Program

The Weapon Systems Acquisition Reform Act of 2009, as amended (WSARA), requires the Secretary of Defense to modify guidance to ensure that the acquisition strategy for each major defense acquisition program provides for competitive prototypes before Milestone B approval—which authorizes entry into system development—unless the Milestone Decision Authority waives the requirement.\(^1\) Competitive prototyping, which involves commercial, government, or academic sources producing early prototypes of weapon systems or critical subsystems, can help Department of Defense (DOD) programs reduce technical risk, refine requirements, validate designs and cost estimates, and evaluate manufacturing processes prior to making major commitments of resources. It can also help reduce the time it takes to field a system, and as a result, reduce its acquisition cost. WSARA states that the Milestone Decision Authority may waive the competitive prototyping requirement only on the basis that (1) the cost of producing competitive prototypes exceeds the expected life-cycle benefits (in constant dollars) of producing such prototypes, including the benefits of improved performance and increased technological and design maturity that may be achieved through competitive prototyping; or (2) but for such a waiver, DOD would be unable to meet critical national security objectives.

WSARA also provides that whenever a Milestone Decision Authority authorizes a waiver of the competitive prototyping requirement on the basis of what WSARA describes as “excessive cost,” the Milestone Decision Authority is required to submit notification of the waiver, together with the rationale, to the Comptroller General of the United States at the same time it is submitted to the congressional defense committees. WSARA further provides that no later than 60 days after receipt of a notification of a waiver, we are mandated to review the rationale for the waiver and submit a written assessment of that rationale to the congressional defense committees.\(^2\)

\(^1\)Pub. L. No. 111-23, § 203(a), as amended by the Ike Skelton National Defense Authorization Act for Fiscal Year 2011, Pub. L. No. 111-383, § 813. DOD modified its guidance related to the operation of its acquisition system through Directive-Type Memorandum (DTM) 09-027, “Implementation of Weapon Systems Acquisition Reform Act of 2009,” (Dec. 4, 2009, incorporating Change 4, Jan. 11, 2013). This DTM also defined major defense acquisition programs as those estimated by DOD to require an eventual total expenditure for research, development, test, and evaluation or for procurement—including all planned increments—of more than $365 million or more than $2.19 billion, respectively, in fiscal year 2000 constant dollars. DOD issued an Interim Instruction 5000.02, “Operation of the Defense Acquisition System,” on November 25, 2013 which cancelled DTM 09-027 and modified the thresholds for major defense acquisition programs. However for purposes of this report we used DTM 09-027 because the competitive prototyping waiver for the Armored Multi-Purpose Vehicle program was completed prior to issuance of the Interim DOD Instruction. The Milestone Decision Authority for major defense acquisition programs is the Under Secretary of Defense for Acquisition, Technology, and Logistics; the head of a DOD component; or, if delegated, the component acquisition executive.

Congressional Committees

Department of Defense’s Waiver of Competitive Prototyping Requirement for the Air Force’s B-2 Defensive Management System Modernization Program

The Weapon Systems Acquisition Reform Act of 2009, as amended (WSARA), requires the Secretary of Defense to modify guidance to ensure that the acquisition strategy for each major defense acquisition program provides for competitive prototypes before Milestone B approval—which authorizes entry into system development—unless the Milestone Decision Authority waives the requirement.\(^1\) Competitive prototyping, which involves commercial, government, or academic sources producing early prototypes of weapon systems or critical subsystems, can help Department of Defense (DOD) programs reduce technical risk, refine requirements, validate designs and cost estimates, and evaluate manufacturing processes prior to making major commitments of resources. It can also help reduce the time it takes to field a system, and as a result, reduce its acquisition cost. WSARA states that the Milestone Decision Authority may waive the competitive prototyping requirement only on the basis that (1) the cost of producing competitive prototypes exceeds the expected life-cycle benefits (in constant dollars) of producing such prototypes, including the benefits of improved performance and increased technological and design maturity that may be achieved through competitive prototyping; or (2) but for such a waiver, DOD would be unable to meet critical national security objectives.

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April 23, 2014

Congressional Committees

Warfighter Support: DOD Policy and Implementation Plan for Reconstitution of Forces

This report summarizes our work to date in response to the National Defense Authorization Act for Fiscal Year 2014, Pub. L. No. 113-66. Section 324 of this act requires GAO to review the Department of Defense (DOD) Strategic Policy and Implementation Plan for the Retrograde, Reconstitution, and Replacement of Operating Forces. The law further requires that not later than 120 days after the enactment of the act, GAO is to submit a report to the defense committees describing the findings of such a review and describing the progress DOD has made toward meeting the goals of the plan.

Our objectives were to describe the extent to which DOD has (1) established a policy for retrograde, reconstitution, and replacement of operating forces as described in Section 324, and (2) established an implementation plan for that policy as described in Section 324.

To conduct this work, we reviewed previous GAO work concerning retrograde, reconstitution, and replacement of operating forces. We also reviewed relevant DOD documents and service guidance. We contacted the Office of the Under Secretary of Defense for Personnel and Readiness, designated by DOD as responsible for the submission of the Strategic Policy and Implementation Plan for the Retrograde, Reconstitution, and Replacement of Operating Forces to the congressional defense committees, to discuss DOD’s progress in developing the policy and plan.

We conducted this performance audit from March 2014 through April 2014 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.

We found that, as of April 15, 2014, DOD has not established a policy or submitted an implementation plan to congressional committees as mandated by Public Law 113-66. According to a senior DOD official, DOD is in the process of developing the strategic policy and implementation plan. DOD estimates completion of the policy and plan on or about November 15, 2014.

Because the policy and plan have not been finalized, we cannot yet review these documents as mandated. However, we will continue to monitor DOD’s progress and will review the policy and implementation plan as mandated by Public Law 113-66 when they are available. We will work with your staff on the timing of our final report.