



UNITED STATES GENERAL ACCOUNTING OFFICE  
WASHINGTON, D.C. 20548

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MISSION ANALYSIS AND  
SYSTEMS ACQUISITION DIVISION

B-203043

MARCH 17, 1982

The Honorable Caspar W. Weinberger  
The Secretary of Defense

Attention: Director, GAO Affairs

Dear Mr. Secretary:

Subject: Review of the Impact of A-109 on Weapon System  
Acquisitions (MASAD-82-10)

We reviewed the Department of Defense's (DOD's) implementation of the Office of Management and Budget Circular A-109, "Major System Acquisitions." Our objectives were to examine the circular's effect on the acquisition programs for six new weapon systems (see enc. I) and to determine the degree of compliance by DOD.

During our review we examined documents concerning the six programs and discussed their management and A-109 requirements with officials of your office, the military services, defense industry associations, and contractor personnel. We supplemented this effort with information obtained during our annual weapon system program reviews in 1981.

Overall, we found that DOD had made progress in its compliance with A-109. As discussed herein, we believe that better compliance with the principles of A-109 would compliment the acquisition management improvement efforts underway in DOD. We believe that the DOD components should be told again of DOD's commitment to the basic policies of the Office of Management and Budget Circular A-109 with emphasis on the (1) flexibility inherent in the directive, (2) need for the establishment of a systematic method of mission analysis designed to evaluate the capabilities of the services to perform their missions, and (3) criticality of obtaining approval of a statement of need early in the process. This letter also identifies what we believe are general misconceptions of A-109.

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MISCONCEPTIONS ABOUT A-109

A-109 policies have been subjected to debate almost since issuance. Some critics have complained that the A-109 "front end" review process, which requires the agency to establish the need for a new system before embarking on a development program, was unduly lengthening the time required to develop, procure, and field new weapons. However, we concluded that most delays were not caused by trying to comply with A-109, but were due more to budgetary restraints and resistance within the services to prepare statements of need and resistance to the requirement to obtain the higher level approvals needed before an acquisition program could be started. Also, there was the normal reluctance by some individuals to make decisions endorsing or rejecting proposals for new systems and the ever-increasing demand for more information about the proposal, particularly by intermediaries, in order to make the proper decisions and recommendations. Caution, hesitancy, and delay seem to be the natural order of peacetime decisionmaking. In short, we found the problems were attributable more to the human factors involved and the frustrations that had built up over many years rather than with the A-109 policies.

Another misconception has to do with difficulties involved in developing an acquisition strategy. Government program managers said that developing acquisition strategy, as advocated by A-109, was necessary and not difficult to do. They also felt that A-109 provided sufficient flexibility to develop an appropriate acquisition strategy. They said the difficulties were in trying to carry out the acquisition strategy when program funding changes. The six programs in our review were major systems, although secondary ones in terms of service importance. We found that program plans for five of the programs were changed because of changes in funding which occurred for a variety of reasons. Thus, while there may be an ideal acquisition strategy, reality may show it is hardly workable due to funding limitations and changes that are directed.

We discussed the A-109 policies with representatives of 15 contractors who were actively involved with acquisition programs. These discussions identified problems which they perceived as contributing to the length and cost of the programs. Most of the problems they cited dealt with matters DOD has set out to correct. Regarding A-109, the contractors were concerned that instead of using the flexibility A-109 permits, program managers were too often following a "cook book" approach. Contractors felt that rigid compliance with A-109 limited program management flexibility and increased acquisition time. This problem can prove costly, for example, when the program manager of a low technical risk program (where a less rigid approach would be justified) requires all the procedures that would be required for a high-technology, high-risk program.

MISSION ANALYSIS

We have consistently maintained, and your office has agreed, that one of the most important steps to improve the acquisition process is accomplishing mission analysis to identify when and where new weapon systems are needed. Although the DOD directive on acquisition management directs mission analysis will be done, the Office of the Secretary of Defense has not provided guidance on how such analysis will be accomplished and the services have been left to their own devices.

Some mission analyses were being attempted, notably the Army and Air Force's, to expand the use and dependence on mission analysis, including experimentation for budgeting purposes. Navy officials, however, indicated they do not employ mission analysis as such, but support their programs with various forms of Navy studies. We believe DOD should put greater effort into conducting mission analysis, including developing a standard and systematic way of mission analysis that could be used to identify needs and set priorities for new programs.

MISSION ELEMENT NEED STATEMENTS

A-109 advocates that formal statements of need, for example, Mission Element Need Statements (MENS) for new weapon systems, should be prepared and approved by the agency head before new major programs are started. We found that MENS were prepared and submitted for the Secretary of Defense's approval for the six systems we examined. However, we have also reported on other current acquisitions which had been started without approved statements of need. We feel strongly that this is a critical step which, when avoided, can contribute to significant problems. We are aware that DOD has instituted changes in the MENS process, including a different document. However, we believe, and previous experience has shown, that a formal declaration of need for a weapon system should be confirmed before a new program is started.

We are sending copies of this letter to the Director, Office of Management and Budget, and to the Secretaries of the Army, Navy, and Air Force. Copies are also being sent to the chairmen of the House and Senate Committees on Armed Services and Appropriations, House Committee on Government Operations, and Senate Committee on Governmental Affairs.

Sincerely yours,



W. H. Sheley, Jr.  
Director

Enclosure

WEAPON SYSTEM PROGRAMS REVIEWED

<u>System</u>	<u>Manager</u>
Primary Undergraduate Pilot Training System (Next Generation Trainer)	Air Force Aeronautical Systems Division
Improved Wide Area Antiarmor Capability	Air Force Armament Division
Undergraduate Jet Flight Training System	Naval Air Systems Command
Naval Mines (Intermediate Water Depth Mine)	Naval Sea Systems Command
Close Combat Antiarmor Weapon System (Infantryman Portable Antiarmor Assault Weapon Systems)	Army Missile Command
Mobile Subscriber Equipment	Deputy Chief of Staff for Operations and Plans, Headquarters, U.S. Army