

GAO

Report to the Subcommittee on
Emerging Threats and Capabilities,
Committee on Armed Services, U.S.
Senate

June 2007

DEFENSE ACQUISITIONS

An Analysis of the Special Operations Command's Management of Weapon System Programs





Highlights of [GAO-07-620](#), a report to the Subcommittee on Emerging Threats and Capabilities, Committee on Armed Services, U.S. Senate

Why GAO Did This Study

Special Operations Command's (SOCOM) duties have greatly increased since the attacks of September 11, 2001. Today, Special Operations Forces are at work in Afghanistan and Iraq, and SOCOM has been assigned to lead U.S. efforts in the Global War on Terrorism. SOCOM's acquisitions budget has also greatly increased in this period—more than doubling from \$788 million in 2001 to approximately \$1.91 billion in 2006. In light of SOCOM's expanded duties, Congress requested that GAO review SOCOM's management of its acquisition programs. GAO's evaluation includes an assessment of: the types of acquisition programs SOCOM has undertaken since 2001 and whether the programs are consistent with its mission; the extent to which SOCOM's programs have progressed as planned; and the challenges SOCOM faces in managing its acquisition programs.

What GAO Recommends

GAO recommends that the Secretary of Defense take steps to ensure SOCOM (1) establishes sound business cases when starting programs, particularly its more complex and department-managed programs; (2) has the workforce size and composition to match its acquisition workload; and (3) improves its acquisition management information system. DOD generally concurred with these recommendations.

www.gao.gov/cgi-bin/getrpt?GAO-07-620.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Paul Francis at (202) 512-4841 or francisp@gao.gov.

DEFENSE ACQUISITIONS

An Analysis of Special Operations Command's Management of Weapon System Programs

What GAO Found

SOCOM has undertaken a diverse set of acquisition programs that are consistent with the command's mission to provide equipment that addresses the unique needs of the Special Operations Forces. SOCOM has committed to spend about \$6 billion on these programs. About 88 percent of the programs are relatively small, have short acquisition cycles, and use modified commercial off-the-shelf and nondevelopmental items or modify existing service equipment and assets. SOCOM's acquisition plans—as reflected in its current 5-year plan—continue to focus on relatively small-scale, short-cycle programs with modest development efforts.

Overall, SOCOM's acquisition program performance has been mixed. About 60 percent of the acquisition programs SOCOM has undertaken since 2001 have progressed as planned, staying within the original cost and schedule estimates. Included in this grouping are programs that had cost increases because of the need to buy additional quantities of equipment for ongoing combat operations. The other 40 percent of SOCOM's acquisition programs have not progressed as planned and experienced modest to, in a small number of cases, significant cost increases and schedule delays because of a range of technical and programmatic issues. Although fewer in number, the programs that experienced problems comprise about 50 percent of acquisition funding because they tend to be the larger and costlier, platform-based programs that SOCOM is acquiring and those where SOCOM depends on one of the military departments for equipment and program management support.

SOCOM faces management and workforce challenges to ensure its acquisition programs are consistently completed on time and within budget. Urgent requirements to support SOCOM's ongoing combat missions have and will continue to challenge SOCOM's ability to balance near- and long-term needs against available funding resources. In addition, SOCOM has difficulty tracking progress on programs where it has delegated management authority to one of the military departments and has not consistently applied a knowledge-based acquisition approach in executing programs, particularly the larger and more complex programs. Furthermore, SOCOM has encountered challenges ensuring it has the workforce size and composition to carry out its acquisition work.

Contents

Letter		1
	Results in Brief	3
	Background	5
	SOCOM's Acquisition Programs Are Consistent with the Command's Mission	8
	SOCOM'S Acquisition Program Performance Has Been Mixed	18
	SOCOM Faces Management and Workforce Challenges in Its Acquisition Programs	21
	Conclusions	26
	Recommendations for Executive Actions	27
	Agency Comments and Our Evaluation	27
Appendix I	Scope and Methodology	29
Appendix II	SOCOM's Policies, Procedures, and Organizational Structure for Managing Acquisitions	30
Appendix III	Comments from the Department of Defense	36
Appendix IV	GAO Contact and Staff Acknowledgments	38
Related GAO Products		39
Tables		
	Table 1: SOCOM Component Commands End Strength	6
	Table 2: SOCOM Acquisition Programs from 2001 to 2006 by Type and Funding	9
	Table 3: Summary of SOCOM Programs by Acquisition Categories	10
	Table 4: Estimated Ranges of Acquisition Program Costs	10
	Table 5: Summary of Programs That Have and Have Not Been Progressing as Planned	19
	Table 6: Summary of Acquisition Programs by Management Structure	20

Table 7: SOCOM's Civilian and Military Acquisition Workforce Composition and Training Levels	24
Table 8: SOCOM's Military Critical Acquisition Position (CAP) and DOD Certification Levels	25
Table 9: Summary of SOCOM Acquisition Programs' MDAs and Program Managers	34

Figures

Figure 1: Leaflet Delivery System	11
Figure 2: SOCOM's Family of Sniper Rifles	12
Figure 3: MH-47G	14
Figure 4: Example of a SOCOM-Modified Commercial Vehicle	15
Figure 5: MANPACK Advanced Concept Technology Development	17
Figure 6: SOCOM's Acquisition Programs Management Structure	34

Abbreviations

ACAT	Acquisition Category
AMP	Avionics Modernization Program
ASD(SO/LIC)	Assistant Secretary of Defense, Special Operations and Low-Intensity Conflict
CAAP	Common Avionics Architecture for Penetration
CAP	Critical Acquisition Position
DAWIA	Defense Acquisition Workforce Improvement Act
DOD	Department of Defense
GWOT	global war on terrorism
JCIDS	Joint Capabilities Integration and Development System
MDA	Milestone Decision Authority
MILDEP	military department
SEAL	Sea Air and Land
SOALIS	Special Operations Acquisition and Logistics Information System
SOCOM	Special Operations Command
SOF	Special Operations Forces
UDA	Urgent Deployment Acquisitions
USD(AT&L)	Under Secretary of Defense, Acquisition, Technology, and Logistics

This is a work of the U.S. government and is not subject to copyright protection in the United States. It may be reproduced and distributed in its entirety without further permission from GAO. However, because this work may contain copyrighted images or other material, permission from the copyright holder may be necessary if you wish to reproduce this material separately.



United States Government Accountability Office
Washington, DC 20548

June 28, 2007

The Honorable Jack Reed
Chairman
The Honorable Elizabeth Dole
Ranking Member
Subcommittee on Emerging Threats and Capabilities
Committee on Armed Services
United States Senate

The Special Operations Command (SOCOM) was established in 1987 to oversee the training, doctrine, and equipping of all U.S. Special Operations Forces (SOF). A key objective in establishing a unified command was to ensure that the Special Operations Forces of the military services would be equipped with the right weapon systems to carry out their unique missions. The SOCOM commander was granted the authority to independently develop, acquire, and field specialized equipment. This “special operations forces-peculiar” equipment may be newly created or standard equipment modified to meet SOF needs, but may not duplicate equipment provided from the other military services.¹

In the past several years, SOCOM’s acquisition program budget has increased significantly—from \$788 million in 2001 to approximately \$1.91 billion in 2006—as the role of the special operations forces in U.S. military operations has grown. For example, in 2003, the Secretary of Defense expanded SOCOM’s duties to include leading the Department of Defense’s (DOD) global war on terrorism (GWOT) operations. In keeping with this expanded role, DOD has begun to re-tool SOCOM from primarily a supporting command into a command responsible for planning and executing missions in GWOT. The change became more prominent with the fiscal year 2004 budget request, in which the President proposed a 47 percent increase in SOCOM’s funding.

¹Pursuant to Title 10 United States Code, Section 167, the Commander, U. S. Special Operations Command (SOCOM) is vested with the responsibilities and the authority for the development and acquisition of special operations forces (SOF)-peculiar equipment, the authority to exercise the functions of the head of agency, and the authority to execute its own budget. SOF-peculiar equipment is defined as equipment, materials, supplies, and services required for SOF activities for which there is no service-common requirement.

In light of SOCOM's expanded acquisition duties, Congress requested that GAO review SOCOM's management of its acquisition programs. To do so we addressed the following questions:

- What types of acquisition programs has SOCOM undertaken since 2001 and are they consistent with SOCOM's mission?
- To what extent have SOCOM's acquisition programs progressed as planned, meeting their initial cost and schedule estimates?
- What challenges if any does SOCOM face in managing its acquisition programs?

SOCOM has encountered difficulties over the past several years with two of its flagship acquisition programs—the Advanced SEAL Delivery System (ASDS) and the CV-22 Advanced Vertical Lift Aircraft.² The ASDS program is funded by SOCOM and managed by the Navy. The basic CV-22 platform is funded by the Air Force and produced under a Navy contract. SOCOM funds SOF-peculiar modifications to the CV-22. Both the ASDS and CV-22 programs have experienced significant cost, schedule, and performance problems because of requirements, technology, and design issues. Since both programs began before 2001, we did not include them in our analysis. However, we have reported separately on the programs, and those reports are listed at the end of this report.

To assess SOCOM's management of its acquisition programs, we collected and reviewed information on all programs undertaken by the command between 2001 and 2006. We analyzed the information to determine what types of systems were being acquired and whether programs were meeting planned cost, schedule, and quantity objectives. To identify the challenges they face, we examined and analyzed pertinent documentation to include DOD, military departments, and SOCOM directives, instructions, policies, and operating procedures related to the Defense Acquisition System, and we interviewed key officials from SOCOM's Special Operations Acquisition

²The Advanced SEAL Delivery System is a long-range submersible capability to deliver special operations forces for clandestine missions. The submersible "hybrid combatant" provides improved range, speed, and payload, and habitability for the operators. CV-22 Osprey is a tiltrotor aircraft that combines the vertical takeoff, hover, and vertical landing qualities of a helicopter with the long-range, fuel efficiency, and speed of a turboprop aircraft. Its mission is to conduct long-range infiltration, exfiltration, and resupply missions for SOF.

and Logistics and Resources and Requirements organizations. We relied on previous GAO work as a framework for knowledge-based acquisition.

We performed our review from July 2006 through May 2007 in accordance with generally accepted government auditing standards.

Results in Brief

Since January 2001, SOCOM has undertaken a diverse set of acquisition programs that are consistent with the command's mission to provide equipment that addresses the unique needs of the special operations forces and for which there is no service-common requirement. SOCOM has committed about \$6 billion to date on these programs. About 88 percent of the programs are Acquisition Category (ACAT) III level in size,³ have short acquisition cycles, and use commercial off-the-shelf and nondevelopmental items or modify existing service equipment and assets. For example, SOCOM has modified commercially available trucks, information technology equipment, and weapon systems, as well as undertaken extensive modifications to service systems such as the Army's CH-47 helicopter. In the latter case, the Army funded the basic aircraft and Army-common improvements, and SOCOM funds the special operations modifications, which include extended range and enhanced defensive capabilities. Since 2001, SOCOM has undertaken only one ACAT I level program. It was to develop a common avionics package for its fleet of transport, tanker, and gunship aircraft. SOCOM's acquisition plans—as reflected in its current Future Year Defense Program⁴—continue to focus

³DOD categorizes acquisition programs into several categories—ACAT I, II, and III. These categories are determined by the cost threshold in fiscal year 2000 constant dollars, special interest, and the level of decision authority. ACAT I programs have an estimated eventual total expenditure for research, development, technology, and evaluation of more than \$365 million or for procurement of more than \$2.190 billion, and milestone decision authority resides with DOD's Under Secretary of Defense, Acquisitions, Technology, and Logistics (USD/AT&L), head of the DOD component, or if delegated the DOD component acquisition executive. ACAT II programs have an estimated eventual total expenditure for research, development, test, and evaluation of more than \$140 million or for procurement in excess of \$660 million, and milestone decision authority resides with the DOD component acquisition executive or its designee. ACAT III programs are all other acquisition programs that do not meet the criteria of an ACAT II or above program and milestone decision authority is designated by the component acquisition executive at the lowest appropriate level.

⁴DOD's Future Year Defense Programs reflect decisions made in the planning, programming, and budgeting system, which is intended to produce the best possible mixture of forces, equipment, and support to accomplish the mission.

on starting new programs that will be relatively small-scale, short-cycle, and involve modifications of existing systems.

Overall, SOCOM's acquisition program performance has been mixed. About 60 percent of the acquisition programs SOCOM has undertaken since 2001 progressed as planned, staying within the original cost and schedule estimates. Included in this grouping are programs that had cost increases from buying additional quantities of equipment for ongoing combat operations in Iraq and Afghanistan. The other 40 percent of SOCOM's acquisition programs have not progressed as planned and experienced modest to, in a number of cases, significant cost increases and schedule delays because of a range of technical, programmatic, or funding issues. Although fewer in number, the programs that experienced problems make up about 50 percent of acquisition funding because these acquisitions tend to be the larger and costlier platform-based programs SOCOM is developing and programs where SOCOM is dependent on one of the military departments for the basic platform or equipment and/or for program management support. We could not compare SOCOM's acquisition performance with DOD's overall performance, mainly because aggregate data on DOD's smaller programs are not kept.

SOCOM faces management and workforce challenges in ensuring its acquisition programs are more consistently completed on time and within budget. Urgent requirements to support SOCOM's role in Afghanistan and Iraq, and its new role as the lead in the global war on terrorism have and will continue to challenge SOCOM's ability to balance near- and long-term needs against available funding resources. For example, according to SOCOM, in order to fund urgent deployment acquisitions in the past 5-years, the command reallocated about \$259 million from existing and planned programs. Additionally, SOCOM has difficulty tracking progress of programs for which it has delegated management authority to the military departments and addressing problems early on when they occur in these delegated programs. Also, while SOCOM employs elements of a knowledge-based acquisition approach, it is not consistently applied. For example, SOCOM has started some programs without ensuring that there was a solid match between requirements and the necessary resources, such as key technologies, to complete the development. In addition, a key database SOCOM uses for managing all of its acquisition programs has not been kept up to date, impeding program oversight. Furthermore, SOCOM plans to expand the size of its acquisition workforce by about 75 percent; however, in recent years SOCOM has encountered difficulties in being able to hire personnel in reasonable time frames and ensuring that its program managers are fully certified in accordance with DOD standards.

To better position SOCOM to achieve the right acquisition program outcomes, we are making recommendations that the Secretary of Defense take steps to ensure that SOCOM: (1) establishes sound business cases when starting programs, particularly its more complex and military department-managed acquisition programs, and applies the elements of a knowledge-based acquisition strategy; (2) has the workforce size and composition to match its acquisition workload; and (3) improves the accuracy, timeliness, and usefulness of its acquisition management information system. DOD partially concurred with the first recommendation and fully concurred with the other two recommendations. With respect to the first recommendation, DOD concurred with applying elements of a knowledge-based acquisition strategy, but only after it is defined by DOD within the 5000 Series of documents. This should not result in a delay in action on DOD's part as DOD's acquisition policy already includes the key elements of a knowledge-based acquisition approach particularly regarding technology, design, and production. It is important that SOCOM follow this policy because we have found that programs experience cost, schedule, and performance problems when they proceed into system development and initial manufacturing with lower levels of knowledge than specified in DOD's acquisition policy.

Background

SOCOM is one of ten combatant commands⁵ directly responsible to the Secretary of Defense. The command was established by the National Defense Authorization Act for Fiscal Year 1987,⁶ and codified in 10 USC Section 167. As a functional command, SOCOM's primary responsibility is to prepare the special operations forces (SOF) to carry out assigned missions. When appropriate, SOCOM may be called upon to conduct special operations activities unilaterally or provide support to other U.S. military forces. In 2003, the Secretary of Defense expanded SOCOM's role to include leading the DOD's GWOT operations. In this central role, SOCOM plans, directs, and executes special operations in the conduct of the GWOT in order to disrupt and destroy terrorist networks that threaten the United States, its citizens, and its interests worldwide. SOCOM also organizes, trains, and equips SOF warriors provided to the geographic combatant commanders and to the American ambassadors and their

⁵A Unified Combatant Command is a U.S. joint military command composed of forces from two or more services and has broad and continuing mission.

⁶Pub. L. No. 99-661 Div A, §1311 (Nov.14, 1986), codified at 10 U.S.C §167.

country teams. In keeping with this expanded role, DOD has begun to re-tool SOCOM from primarily a supporting command into a command responsible for planning, synchronizing, and executing missions in the GWOT. SOCOM is headquartered at MacDill Air Force Base in Tampa, Florida, and has four component commands, and one sub-unified command located at different military bases. The Marine Corps Special Operations Command joined SOCOM on February 24, 2006. Table 1 shows the end strength of each of the component commands.

Table 1: SOCOM Component Commands End Strength

Component command	Location	End strength
Joint Special Operations Command (Sub-unified Command)	Pope Air Force Base and Ft. Bragg, N.C.	1,250
Army Special Forces Command	Ft. Bragg, N.C.	22,386
Naval Special Warfare Command	Coronado, Calif.	7,507
Air Force Special Operations Command	Hurlburt Field, Fla.	12,801
Marine Corps Special Operations Command	Camp Lejeune, N.C.	1,414
Total		45,358

Source: SOCOM data, GAO analysis.

Congress created SOCOM to improve the ability of the United States to conduct special operations. Congress vested the command with the responsibility and the authority for the development and acquisition of SOF-peculiar equipment, the authority to exercise the functions of the head of agency, and the authority to execute its own budget. SOF-peculiar equipment is defined as equipment, materials, supplies, and services required for SOF activities for which there is no service-common requirement. According to SOCOM, these are limited to items and services initially designed for, or used by, SOF until adopted for service-common use by other DOD forces; modifications approved for application to standard items and services used by other DOD forces; and items and services critical for the immediate accomplishment of a SOF activity.

To fund the acquisition of SOF-peculiar equipment, SOCOM was also given responsibility for supervising a separate Major Force Program-11 budget account.⁷ Congress determined that a dedicated funding mechanism was

⁷Congress directed DOD to include a new special operations budget category, major force program-11. This provides the command with funding authority for the development and acquisition of equipment, materials, supplies, and services peculiar to special operations.

necessary because, in the past, the military departments had tended to give lower priority to SOF's equipment needs than to their own needs. For fiscal year 2006, SOCOM's total budget was \$7.2 billion, of which \$1.9 billion was for development-and-acquisition-related purposes.

In acquiring SOF equipment, SOCOM falls under the same DOD acquisition policies and guidelines and workforce requirements that apply to the military departments and other defense agencies. The military departments and SOCOM are governed by DOD's 5000 Series for the Defense Acquisition System.⁸ Similarly, each military department, along with SOCOM, has its own policies and procedures to implement higher level directives and guide the management of acquisition activities within the military departments or command.

SOCOM's acquisition workforce training and tenure is governed by the Defense Acquisition Workforce Improvement Act (DAWIA), enacted in 1990.⁹ The Act specifically created a formal acquisition corps and defined educational, experience, and tenure criteria needed for key positions, including program managers, contracting officers, and other personnel involved in the acquisition process. According to DOD, members of the acquisition corps may earn three progressive certification levels—basic (Level I), intermediate (Level II), and advanced (Level III).¹⁰ Each certification level is comprised of a combination of education, experience, and training elements. Certification recognizes the level to which a member of the acquisition workforce has achieved functional and core acquisition competencies required by a specific career field. Members of SOCOM's acquisition workforce are required to meet the same training and certification requirements as those in the military departments.

SOCOM's approach to acquisition management also has some distinctive features. The command is unique in DOD in that it plans, funds, acquires, and sustains weapon systems all under one roof. Specifically, all the key entities involved in the acquisition life-cycle process—requirements

⁸DOD Directive 5000.1, Subject: The Defense Acquisition System (May 12, 2003) and Department of Defense Instruction 5000.2, Subject: Operation of the Defense Acquisition System (May 12, 2003).

⁹10 U.S.C. Sections 1701-1764.

¹⁰DOD Instructions 5000.66, Subject: Operations of the Defense Acquisition, Technology, Logistics Workforce Education, Training, and Career Development Program (Dec. 21, 2005).

developers, comptroller, contracting personnel, logistics planners, and program offices—are colocated. SOCOM also uses a centralized approach to assess and prioritize requirements and select programs based on competing needs and available resources. SOCOM’s customers—the SOF warriors—are directly involved in determining what weapon systems are pursued. In addition, SOCOM can arrange to transfer program management and milestone decision authority¹¹ responsibilities to one of the military departments to execute the program on behalf of SOCOM. SOCOM has done this with many of its programs that involve some modification of military department-provided equipment or in cases where the military departments may have greater technical and program management expertise. Further description of how SOCOM is structured to manage its acquisitions is provided in appendix II.

SOCOM’s Acquisition Programs Are Consistent with the Command’s Mission

SOCOM has undertaken a diverse set of acquisition programs since January 2001 that are consistent with the command’s mission to address unique SOF needs and those needs for which there are no service-common requirement. SOCOM has committed about \$6 billion to date on these programs. The vast majority of SOCOM’s acquisition programs are ACAT III level in size, have short acquisition cycles, and use modified commercial off-the-shelf and nondevelopmental items or modify existing service equipment and assets. In acquiring systems, SOCOM has emphasized the need for “80 percent” solutions that provide improved capabilities incrementally to the warfighter in reasonable time frames, rather than major development efforts that require advanced technologies and years of research and development. Both the ASDS and CV-22 programs were started in the 1990s. Since 2001, SOCOM has undertaken only one ACAT I level program. It was to develop a common avionics package for its fleet of transport, tanker, and gunship aircraft. SOCOM’s acquisition plans for the future—as reflected in its current Future Year Defense Program—continue to maintain its SOF-peculiar focus.

¹¹The milestone decision authority is the designated individual with overall responsibility for a program. The MDA has the authority to approve entry of an acquisition program into the next phase of the acquisition process and is accountable for cost, schedule, and performance reporting to higher authority, including congressional reporting. For ACAT I level programs, USD (AT&L), head of a DOD component, or if delegated the DOD component acquisition executive is the initial milestone decision authority.

Most of SOCOM's Acquisition Programs Are Small

SOCOM initiated 86 acquisition programs from 2001 to 2006 to meet SOF-peculiar requirements, which can be grouped into five major areas: rotary wing, fixed wing, maritime systems, information and intelligence systems, and special operations forces warrior equipment (e.g., vehicles and weapons).¹² Table 2 shows the number and funding for these programs by each major grouping.

Table 2. SOCOM Acquisition Programs from 2001 to 2006 by Type and Funding

Program types	Number of programs	Funding (\$M)
Rotary wing	10	\$2,019
Fixed wing	29	1,670
Maritime systems	5	30
Information and intelligence systems	15	393
Special Operations Warrior	27	885
Total	86	\$4997^a

Source: SOCOM data, GAO analysis.

^aThis amount excludes about \$254 million in supplemental funding.

As table 3 shows, 76 of SOCOM's 86 acquisition programs are ACAT III level in size, and the majority of these programs use nondevelopmental and commercial off-the-shelf items to meet SOF-peculiar needs. A further breakdown of these programs, depicted in table 4, indicates that most cost less than \$25 million. The small number of larger, ACAT I and II level programs are fixed and rotary wing systems, costing \$200 million or more. These larger programs involve modifications to existing platform systems and more substantial technology development efforts. The one ACAT I level program SOCOM initiated since 2001—the Common Avionics Architecture for Penetration (CAAP) program—is intended to provide specialized capabilities for MC-130H and AC-130H/U transport, tanker, and gunship aircraft, including low probability of detection and improved terrain following and avoidance radar.

¹²SOCOM also has mission planning and training systems, which are included in the fixed wing programs.

Table 3: Summary of SOCOM Programs by Acquisition Categories

Acquisition categories	Number of programs	Program types
I	1	Fixed wing
II	6	Fixed wing and Rotary wing
III	76	Fixed wing, Rotary wing, Information & Intelligence systems, Maritime systems, and Special Operations Forces Warrior
N/A ^a	3	Information & Intelligence systems
Total	86	

Source: SOCOM data, GAO analysis.

^aAccording to SOCOM, these programs do not meet the criteria to be designated as a regular acquisition category.

Table 4: Estimated Ranges of Acquisition Program Costs

Number acquisition programs	Cost ranges (\$M)
6	Greater than \$200
7	\$101 to \$200
11	\$51 to \$100
14	\$25 to \$50
48	Less than \$25

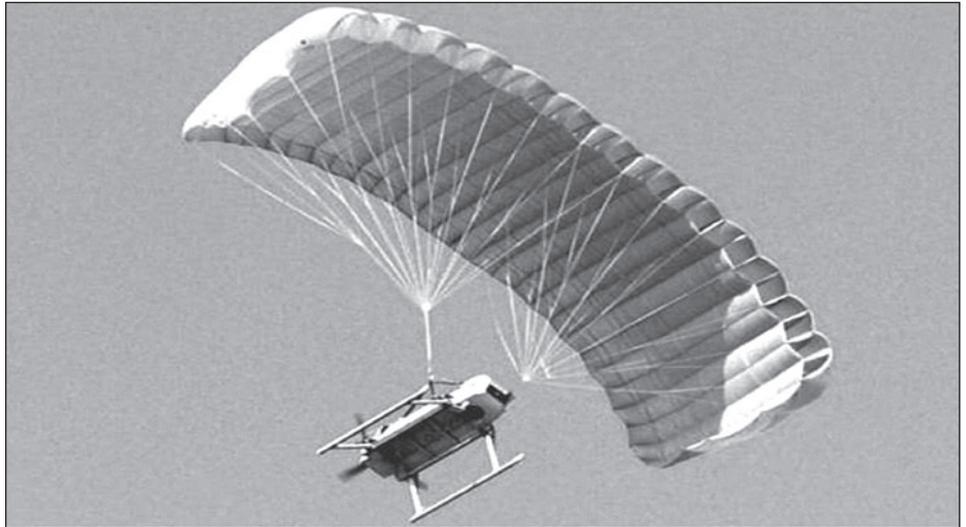
Source: SOCOM data, GAO analysis.

Several key examples of the types of programs SOCOM has undertaken are described below.

Leaflet Delivery System

The leaflet delivery system is an ACAT III program that was fielded by SOCOM at a cost of about \$20 million. The system uses a fully reusable, commercial-off-the-shelf, unmanned aerial vehicle as a component of the autonomously guided parafoil system it has developed. The delivery system is capable of delivering leaflets or psychological operations materials to target audiences in peacetime and in war. It took SOCOM about 8 months to field this capability to the SOF warrior. It can be ground launched from the back of a high-mobility multiwheeled vehicle and air launched from a C-130, C-141, or C-17 cargo aircraft. Figure 1 below shows the leaflet delivery system.

Figure 1: Leaflet Delivery System



Source: SOCOM.

Commercially Designed Sniper Weapons

SOCOM's current family of sniper rifles was acquired as nondevelopmental and commercial off-the-shelf items, which according to the program office, enables rapid acquisition of an initial capability as well as efficient spiral development of enhanced capabilities as mission requirements direct. SOCOM currently has four rifles in its family of sniper rifles, the MK 11—7.62mm Sniper Support Rifle, the MK 12—5.56mm Special Purpose Rifle, the MK 13—.300 Winchester Magnum, and the MK 15—.50 caliber. Each will only fire one type of ammunition and with varying effective ranges. Two of the sniper rifles, MK 11 and MK 12, will be replaced by the Sniper Support Rifle variant of the SOF Combat Assault Rifle, which is an ACAT III program consisting of a modified commercial off-the-shelf system, and is estimated to cost about \$50 million. The new sniper rifle is a modular design, and the caliber of the rifle can be changed by replacing the barrel, bolt, and trigger modules. The life expectancy of the SOCOM rifles shown in figure 2 is about 5 years. Therefore, according to the SOF Warrior program office, SOF plans a phased replacement of like or enhanced capability every 5 years.

Figure 2: SOCOM's Family of Sniper Rifles



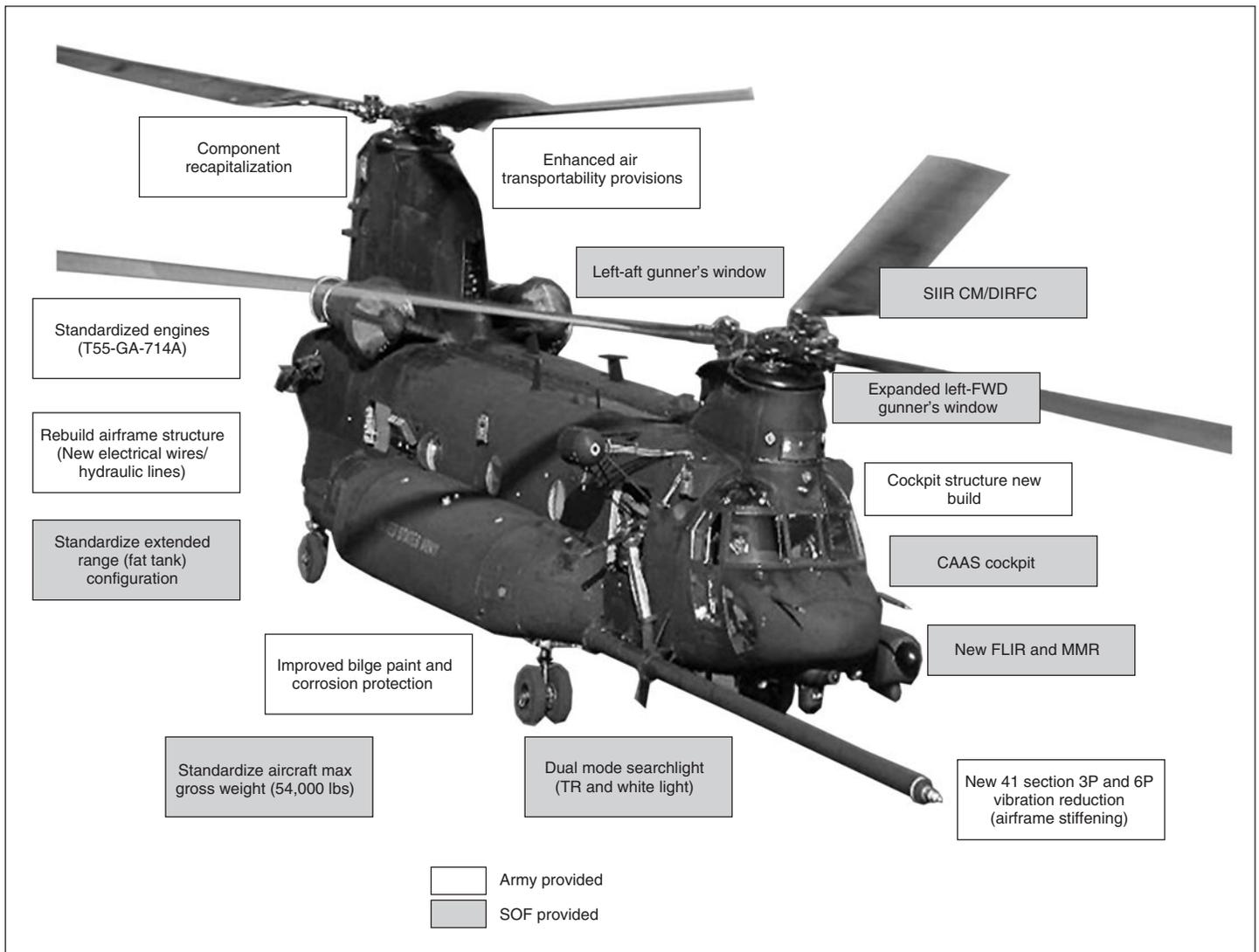
Source: SOCOM.

Modification to the Army's Service-Common CH-47 Helicopter

SOCOM has an ACAT II program underway, estimated to cost about \$200 million, which modifies the Army's service-common CH-47 helicopter to meet its SOF-peculiar requirements. Several features on the aircraft are SOCOM-peculiar such as the long aerial refueling probe on the front of the aircraft, the standardized extended range fuel tank, and the common aviation architecture systems cockpit. The CH-47 helicopter, when modified by SOCOM, becomes a MH-47G helicopter that provides SOCOM with a heavy assault helicopter with the latest avionics, sensors, aircraft survivability features, and weapons systems. All MH-47 helicopters in SOCOM's inventory—which includes the MH-47D and the MH-47E

aircraft—will be converted to the MH-47G configuration over time. According to SOCOM, at least two of the SOF-peculiar features on the MH-47G helicopter were adopted by the Army and are now service-common features. SOCOM developed standardized engines and an enhanced air transportation kit that were designed to meet a SOF-peculiar requirement. However, once they operational, the Army decided it could use the capability as well and adopted it. Figure 3 shows some of the basic modifications to the CH-47 that were provided by the Army and those that were provided by SOCOM.

Figure 3: MH-47G



Source: SOCOM.

Some SOCOM Programs Are Targeted to Urgent Needs

In addition to regular acquisition programs, SOCOM has acquired various equipment and material to meet urgent needs related to planned and ongoing military operations. According to SOCOM officials, urgent needs qualify for consideration if they meet one of two criteria: a potential mission failure or loss of life. Because of the urgency of these needs, SOCOM's focus is on acquiring readily available equipment in short time

frames. Since 2001, SOCOM has addressed about 50 urgent mission needs and fielded equipment to its deployed SOF warriors at cost of about \$339 million. For example, to address an urgent operational need to move personnel and materiel more effectively in Afghanistan and Iraq without attracting local attention or projecting an overt military presence, SOCOM acquired and modified about 150 commercial off-the-shelf 4x4 trucks, sedans, and sport utility vehicles and fielded them in about 4 weeks. Figure 4 below shows an example of a modified commercial truck used by SOCOM.

Figure 4: Example of a SOCOM-Modified Commercial Vehicle



Source: SOCOM.

According to SOCOM officials, urgent needs are not to be used as a means of circumventing or accelerating the normal program approval or funding processes. To that end, equipment acquired via the urgent needs process is fielded and sustained only for the duration of the military operation. The sponsoring Component Commander is responsible for determining post-operation disposition of any equipment acquired as a result of an urgent needs request.

SOCOM has also fielded critical combat-related technologies through DOD's Advanced Concept Technology Development program. DOD

initiated the program in 1994 to help get new technologies that meet critical military needs into the hands of users faster and at less cost than the traditional acquisition process.¹³ Over the past 5 years, SOCOM has fielded seven Advanced Concept Technology Development programs at a cost of about \$385 million. For example, as shown in the figure 5, SOCOM fielded the MANPACK radio threat detector which was an Advanced Concept program. The MANPACK is designed to provide the basic capability to identify and locate threat and friendly emitters, locate unknown emitters, and provide situational awareness to the SOF operator with little or no interaction from the user.

¹³DOD guidelines for selecting Advanced Concept Technology Developments include the following: (1) the time frame for evaluating their military utility is typically 2 to 4 years; (2) the technology should be sufficiently mature; (3) they should provide an effective response to a priority military need; (4) a lead service or agency has been designated; (5) risks have been identified and accepted; (6) demonstrations or exercises have been identified that will provide a basis for assessing the military utility; and (7) funding is sufficient to complete them.

Figure 5: MANPACK Advanced Concept Technology Development



Source: SOCOM.

SOCOM's acquisition plan for the future—as reflected in its current Future Year Defense Program—continues to maintain a focus on providing SOF-peculiar equipment. The acquisition programs SOCOM plans to start

over the fiscal year 2007 to 2011 time frame are similar to the programs that SOCOM is currently acquiring. There are 13 acquisition programs remaining in SOCOM's fiscal year 2007 to 2011 plan, and all are at the ACAT III level. These programs continue to be small scale, low cost, and will employ modified commercial-off-the-shelf and nondevelopmental items. For example, the SOF Combat Assault sniper rifle was among the remaining 2007 to 2011 programs and is SOF-peculiar and a nondevelopmental item.

SOCOM'S Acquisition Program Performance Has Been Mixed

Fifty-one (about 60 percent) of the 86 acquisition programs SOCOM has undertaken since 2001 have progressed as planned, either staying within original cost and schedule estimates or experiencing cost increases unrelated to progress, such as for adding quantities to support ongoing combat operations. The other 35 (40 percent) of SOCOM's 86 programs have experienced or are likely to experience modest to, in a number of cases, significant cost increases and schedule delays due to a range of technical, programmatic, or funding issues. Although fewer in number, these programs make up about 50 percent of SOCOM's total funding for its acquisition programs. Ten of the programs have an estimated schedule slip of at least one year, and several programs were canceled because of a need to fund higher priorities or because of technical issues encountered in developing the weapon system. The programs that have not progressed as planned tend to be the larger, more complex platform-based programs SOCOM is developing and programs where SOCOM is dependent on the military departments for the basic platform or for equipment and/or other resources, such as program management support. Programs that are smaller, with less development risk, have better results.

As shown in table 5, there are some differences in the type of programs that are and are not progressing as planned, but the overall picture is mixed.

Table 5: Summary of Programs That Have and Have Not Been Progressing as Planned

Type programs	Progressing as planned		Not progressing as planned	
	Number of programs	Dollar value (millions)	Number of programs	Dollar value (millions)
Fixed wing	15	\$352.2	14	\$1,317.5
Information and intelligence	10	65.6	5	327.8
Maritime systems	4	22.8	1	7.0
Rotary wing	6	1,492.5	4	526.6
SOF Warrior	16	543.3	11	341.9
Total	51	\$2,476.5	35	\$2,520.7

Source: SOCOM data, GAO analysis.

In terms of the number of programs, fixed wing and SOF warrior systems comprise a large proportion (25 out of 35) of those that are not meeting original cost and schedule estimates. However, when viewed by the amount of funding allocated to these programs, fixed and rotary wing systems make up the majority (\$1,844 million out of \$2,521 million) that are not progressing as planned. We were not able to put these results in context, that is, to compare them with DOD as a whole to determine whether SOCOM's performance was typical or atypical. This is primarily because of the fact that DOD does not keep aggregate performance data on ACAT III programs—which comprise most of SOCOM's acquisition portfolio.

Many of the fixed and rotary wing programs are the larger programs in SOCOM's portfolio, involving modifications to existing military-service or special-operations platform systems. As such, these programs require more systems engineering and design/integration efforts than other smaller programs being acquired by SOCOM. For example, the estimated costs for SOCOM's fixed-wing AC-130U 30-millimeter gun-modification program has increased 92 percent because of technical and design issues, and the program has been deferred until fiscal year 2008 when additional funding may be available. Likewise, the AC-130U+4 program, which is intended to modify the C-130 aircraft into a side-firing gunship, has been delayed by 7 months because of technical issues with the aircraft's configuration and design.

Many of SOCOM programs that are not progressing as planned are also programs in which the military departments are involved in a management capacity. As shown in table 6, 22 of the 35 programs that have not stayed within original cost and schedule estimates have one of the military departments in a management role—either as the milestone decision

authority or program manager or both. All of the fixed and rotary wing programs that are not progressing as planned are in this category. In contrast, however, SOCOM does manage its five largest information and intelligence system programs, but they are not progressing as planned.

Table 6: Summary of Acquisition Programs by Management Structure

Management structure	Progressing as planned		Not progressing as planned	
	No. of programs	Cost (in millions)	No. of programs	Cost (in millions)
SOCOM managed programs	26	\$632.3	13	\$626.0
MILDEP role in managing programs	25	1844.2	22	1895.0
Total	51	\$2476.5	35	\$2521.0

Source: SOCOM data, GAO analysis.

In assessing how programs have progressed, we identified a small number of programs (8 out of 86) that SOCOM canceled or deferred because of a need to fund higher priorities or because of technical issues encountered during development. Most of these programs were canceled early before significant funding and time were committed. In the other few programs, however, we found significant time and effort was invested before they were cancelled. For example, SOCOM's High Power Fiber Optic Towed Decoy program, which was being developed to provide a fiber optic towed decoy capability to SOCOM's fleet of AC and MC-130 aircraft, was canceled after spending about \$85 million because of higher funding priorities. SOCOM's one ACAT 1 program, the Common Avionics Architecture for Penetration (CAAP) program was also subsequently terminated. The CAAP program, which was managed by the U.S. Air Force, was being designed to provide SOF-peculiar avionics capability to the U.S. Air Force's Avionics Modernization Program (AMP) on the MC-130 H and AC-130H/U aircraft. It was designed to give SOF-peculiar capabilities to the aircraft, including enhanced abilities to follow terrain and avoid detection while using Air Force-provided radar. However, SOCOM terminated all funding for the CAAP program in its fiscal years 2008 to 2013 program objective memorandum. SOCOM determined that it was cost prohibitive to continue the program after the Air Force ran into problems with the AMP program and determined that the cost to complete development of both AMP and CAAP would more than double the original estimates.

SOCOM Faces Management and Workforce Challenges in Its Acquisition Programs

SOCOM faces management and workforce challenges in ensuring its acquisition programs are completed on time and within budget. Urgent requirements arising from SOCOM's role in Iraq and Afghanistan, and its new role in the GWOT have and will continue to challenge SOCOM's ability to balance near- and long-term needs against available funding resources. For example, in order to fund almost 50 urgent deployment acquisitions in the past 5 years, SOCOM has had to reallocate \$259 million from existing and planned acquisition programs. Additionally, even though SOCOM employs elements of a knowledge-based acquisition approach, it is not consistently applied, and some programs have started without a good match between requirements and resources. SOCOM also has difficulty tracking progress on programs for which it has delegated management authority to the military departments and addressing problems earlier in these programs. Moreover, a key SOCOM tool for managing its acquisition programs has not been consistently maintained with up-to-date information. In addition, SOCOM has encountered workforce challenges such as being able to hire civilian personnel in reasonable time frames and ensuring that its military personnel are fully compliant with DOD standards.

SOCOM Management Challenges

Addressing high-priority urgent needs from the field will continue to challenge SOCOM's ability to complete existing programs on time and within budget. In its roles in Iraq, Afghanistan, and GWOT, SOCOM will continue to fulfill urgent needs with acquisition programs. But because of the short time frames involved, funding for these programs is not built into the budget. In the past 5 years, SOCOM reallocated about \$259 million from budgeted programs to fund almost 50 urgent deployment acquisitions. In fiscal years 2006 and 2007, SOCOM did begin to receive money from Congress in its budget—about \$80 million and \$22 million respectively—to help defray some of the costs of its urgent deployment acquisition programs. According to SOCOM's Acquisition Executive, urgent deployment acquisitions are expected to continue over the next several years, and the command anticipates requesting about \$20 to \$25 million each year from 2008 to 2013 to help pay for these needs. Although funding shifts are disruptive in SOCOM, as they are in the military departments, SOCOM's strategic planning structure for assessing and selecting programs is well-suited for making the trade-offs among priorities needed to address urgent needs.

SOCOM also has difficulty tracking progress and addressing problems early in programs where it has delegated management authority to the military departments. Having access to all the military departments

provides SOCOM the means to leverage resources and expertise that may not reside at SOCOM, such as program management, engineering and technical services, testing and evaluation support, and logistical support. However, in some cases when SOCOM has relied on the military departments for technical or basic capabilities, its programs have been adversely affected when the department-provided capabilities are delayed. When delays occur, there tends to be a cascading effect on SOCOM programs. For example, initial schedule delays in the U.S. Air Force's AMP for C-130 aircraft resulted in delays in SOCOM's ability to acquire the CAAP program on the C-130 aircraft. The AMP program was to provide a basic cockpit configuration and avionics capability for different C-130 aircraft, and SOCOM's CAAP capability would provide additional avionics capabilities for SOF missions. The AMP program encountered technical and integration problems during installation trials and is now being restructured. Because of delays and cost growth with AMP, cost to complete the CAAP program increased significantly leading to SOCOM's decision to cancel the CAAP program and defer this capability.

According to SOCOM's acquisition executive, although SOCOM has overarching memorandums of agreement establishing program management arrangements with each of the military departments, not all of the agreements are signed at the appropriate levels of authority within the military departments. While the agreement with the Army is signed by the Secretary of the Army, the Air Force and Navy agreements are signed by the chiefs of staff. This is a challenge to SOCOM because acquisition and budget authority resides with the military department secretary and not with the chief of staff. When problems occur in programs managed by the Air Force or Navy, SOCOM may have less standing to make a case that they are not living up to the memorandums of agreement, than the command would with the Army. SOCOM also acknowledges that memorandums of agreement for specific programs—particularly the larger, more complex programs SOCOM delegates to the military departments—have not been detailed enough in terms of laying out the roles, responsibilities, and expectations for executing programs, nor detailed enough in laying out how SOCOM will be able to track progress and participate in regular program reviews with the military departments. While written agreements by themselves may not result in better SOCOM-military department programs, they are important in that they provide a foundation for effective program management. SOCOM is currently taking steps to update the written agreements with the military departments and also examining whether some of its programs would be better under SOCOM management.

SOCOM employs elements of a knowledge-based acquisition approach, but it is not consistently applied. We have frequently reported on the need to develop a solid, executable business case before committing resources to a new product development effort. A business case should be based on DOD's acquisition policy and lessons learned from leading commercial firms and other successful DOD programs. Our work has shown that the business case in its simplest form demonstrates evidence that (1) the warfighter's needs are valid and that they can best be met with the chosen concept, and (2) the chosen concept can be developed and produced within existing resources—that is: proven technologies, design knowledge, adequate funding, and adequate time to deliver the product when it is needed. We found that although SOCOM has a systematic strategic planning process to prioritize and select programs, it has started some programs, particularly the larger and more complex programs, without ensuring that there was a solid match between the requirements and resources to complete the development. For example, SOCOM terminated the Common Avionics Architecture for Penetration Program because of excessive cost growth resulting from technical problems and schedule delays with the Air Force's Avionics Modernization Program. While SOCOM attributes the cause of program problems in part to poor contractor performance, it also acknowledges that technology challenges and development costs were significantly underestimated when the program started. In addition, the Navy-managed Advanced SEAL Delivery System (ASDS), which has been one of SOCOM's largest investments since ASDS started in the mid-90s, encountered significant problems because the capabilities required for the delivery system outstripped the developer's resources in terms of technical knowledge, time, and money. Although the first boat was accepted for operational use in 2003, it did not meet technical or performance requirements. Currently, reliability issues with the boat are being examined, and an assessment of alternate material solutions are underway to determine how best to address the remaining operational requirements.

SOCOM's tool for managing its acquisition programs—called the Special Operations Acquisition and Logistics Information System (SOALIS)—lacks sufficient oversight and maintenance. At the time of our review, we found that information for most programs was out of date and that some programs had not been updated in years, even though the program executive officers and program directors are required to keep SOALIS accurate and up to date on at least a monthly basis. Further, we found no enforcement mechanism to ensure oversight of this important management tool. According to SOCOM's Standard Operating Procedures Directive, SOALIS is intended to give SOCOM decision makers and

stakeholders essential information on the status and progress of ongoing acquisition efforts. Although regular progress reviews take place on individual programs, the lack of up-to-date information on all programs can impede SOCOM's ability to conduct effective oversight.

SOCOM Workforce Challenges

SOCOM's acquisition workforce has remained relatively small for many years, but plans are underway to increase the size of the acquisition workforce about 75 percent by the end of 2008. This is being done to address the growth in acquisitions work that has taken place over the past several years as well as expected future growth in acquisitions with SOCOM's expanded role in the GWOT. Since 2001, SOCOM's workforce has remained fairly stable, growing by only 10 positions to a total of 185 government—civilian and military—acquisition employees. SOCOM plans to expand its governmental acquisition workforce to about 300 employees. Currently, the governmental workforce is heavily supplemented by contractors. Specifically, contractors comprise about two-thirds of the overall workforce supporting SOCOM's acquisition activities. The contractor support includes logistics, training, education, and testing support, and engineering and technical services. In order to prepare for the upcoming workforce expansion, SOCOM is conducting a manpower study. The study, which is scheduled to be completed in fiscal year 2008, is designed to assess the composition of the workforce and determine workloads associated with each SOCOM position—including all acquisition positions—to aid SOCOM officials in their placement of newly hired government employees. Also, to lower costs, SOCOM's acquisition executive anticipates a reduced reliance on contractors in conjunction with the expansion of the governmental acquisition workforce. How much of a reduction will be based on the outcome of the ongoing manpower study and resource considerations.

As can be seen in table 7, the majority of SOCOM's current civilian acquisition workforce has attained DOD's level III certification.

Table 7: SOCOM's Civilian and Military Acquisition Workforce Composition and Training Levels

Certification levels	Level I	Level II	Level III	None	Vacancies	Total positions
Civilian workforce	2	14	76	0	10	102
Military workforce	1	11	19	6	6	43
Total	3	25	95	6	16	145

Source: SOCOM data, GAO analysis.

Additionally, SOCOM's senior level civilian acquisition workforce at the GS-14, GS-15, and senior executive service levels, along with those assigned to Critical Acquisition Positions¹⁴ that require level III certification, have all earned level III certification. We found that the vacancy rate for civilian acquisition positions is about 10 percent and that the bulk of the unfilled positions are at the GS-14 and GS-15 levels, leaving vacancies in some key management positions. The command has encountered challenges in filling vacancies in the upper-level, civilian-acquisition-workforce positions. According to SOCOM's acquisition executive, the difficulty in hiring qualified personnel to fill these critical vacancies is due, in part, to the lengthy process required to hire qualified acquisition personnel. SOCOM uses the Air Force personnel system as its executive hiring agency. However, this process has taken as long as 240 days to hire at the upper levels.

SOCOM's military acquisition workforce certification rated at level III is not as high as its civilian counterparts. This is particularly true for critical acquisition positions, which usually involve significant supervisory or management responsibilities (e.g., program manager). As table 8 shows, about 40 percent of these positions are held by officers who do not meet the level III certification standards required by DOD.

Table 8: SOCOM's Military Critical Acquisition Position (CAP) and DOD Certification Levels

Program manager certification levels	Number of officers in CAPs
Level III	13
Level II	6
Level I	1
No certification	2

Source: GAO analysis of SOCOM data.

¹⁴As defined in the Defense Acquisition Workforce Improvement Act (DAWIA), any acquisition position in DOD that is required to be filled by (a) military grade of lieutenant colonel (or commander for the Navy) or a higher grade or (b) an employee in a senior position in the National Security Personnel System or in the Senior Executive Service, is required to be designated as a critical acquisition position.

While DOD guidelines¹⁵ allow acquisition officers to attain the appropriate certification up to 24 months after being assigned to a critical position, we found that 3 of SOCOM's 22 military officers filling these positions are still lacking the required certification. Although waivers are permitted on a case-by-case basis, at the time of our review SOCOM did not have a process in place to review and grant required waivers for those officers not in compliance with DOD standards.

One of the challenges SOCOM faces in filling military acquisition positions is that the command often requires military operational experience and/or specialized skills. According to SOCOM, Army and Navy policies require their acquisition officers to have operational assignments before being assigned to the acquisition career field, but officers in the Air Force do not have to gain prior operational experience. In addition, some of the acquisition positions at SOCOM require unique special operations experience. For instance, some of the Navy's acquisition positions at SOCOM are designated to be filled by Navy SEAL personnel, a group in short supply and generally not trained in acquisition. Since SOCOM is reliant on the services to provide military acquisition personnel to the command, SOCOM runs the risk of not being able to fill acquisition positions if it turns down candidates sent forward by the services who do not meet all the position requirements.

Conclusions

Thus far, SOCOM has done well with small acquisitions that modify readily available commercial technologies and nondevelopmental items. It has had more difficulty delivering the more complex systems that involve significant development and reliance on the military departments. As SOCOM prepares for more growth in its acquisition function to meet the expanding needs for special operations forces, it will be important for the command to leverage its experience into better results in the future. For those more complex acquisitions that must be undertaken, opportunities exist for SOCOM to improve its results by ensuring that better business cases exist before embarking on such acquisitions, especially if they depend on acquisitions being managed by other military departments. In addition, the foundation for all acquisitions can be improved by (1) ensuring that the size and composition of the workforce is a good

¹⁵DOD Instruction 5000.66, Subject: Operation of the Defense Acquisition, Technology, and Logistics Workforce Education, Training, and Career Development Program (Dec. 21, 2005) and Department of Defense Desk Guide for Acquisition, Technology, and Logistics Workforce Career Management (Jan. 10, 2006).

match for the acquisition workload undertaken by SOCOM and (2) having a sound management information system to track programs.

Recommendations for Executive Actions

To better position SOCOM to achieve the right acquisition program outcomes, we recommend that the Secretary of Defense take the following three steps to ensure:

- SOCOM establishes sound business cases for its more complex and military department-managed acquisition programs. Integral to this is applying the elements of a knowledge-based acquisition strategy (That is: programs match requirements with resources.) and having effective agreements in place with the military departments that specify clear roles, responsibilities, and expectations for executing programs.
- as SOCOM increases its acquisition workforce, it (1) obtains personnel with the skills and abilities needed for more complex acquisitions, (2) makes sure personnel meet DOD acquisition certification level requirements, and (3) has the ability to make the hiring process as efficient as possible.
- SOCOM improves the accuracy, timeliness, and usefulness of its acquisition management information system. To accomplish this, SOCOM should (1) establish enforcement mechanisms to make sure program managers submit updated information on a regular basis and (2) conduct quality checks to make sure the information is reliable.

Agency Comments and Our Evaluation

In DOD's letter commenting on a draft of our report, DOD partially concurred with the first recommendation and fully concurred with the other two recommendations. In partially concurring with the first recommendation, DOD agreed with the need to update memorandums of agreement between SOCOM and the military departments and apply elements of a knowledge-based acquisition strategy but only after it is defined by DOD within the 5000 series of documents. This should not result in a delay in action on DOD's part as DOD's acquisition policy already includes the key elements of a knowledge-based acquisition approach particularly regarding technology, design, and production. It is important that SOCOM follow this policy because we have found that programs experience cost, schedule, and performance problems when they proceed into system development and initial manufacturing with

lower levels of knowledge than specified in DOD's acquisition policy. We believe that if properly implemented and enforced, a knowledge-based acquisition approach, as defined in DOD acquisition policy, can help reduce development risks and lead to better program outcomes on a more consistent basis.

DOD's written comments appear at appendix III. Additionally, SOCOM provided technical comments, which we incorporated where appropriate.

We are sending copies of this report to this report to the Secretary of Defense, Secretaries of the Air Force, Army, and Navy, and other interested parties. We will also provide copies to others on request. In addition, the report will be available at no charge on the GAO Web site at <http://www.gao.gov>.

If you or your staff have any questions about this report, please contact me on (202) 512-4841. 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 major contributions to this report are listed in appendix IV.



Paul L. Francis
Director, Acquisition and Sourcing
Management

Appendix I: Scope and Methodology

To assess what type of programs SOCOM has undertaken and whether they have progressed as planned, we collected and reviewed information on all programs undertaken by the command between 2001 and 2006. We collected specific information on each program pertaining to its size, use of commercial off-the-shelf and non-developmental items, and acquisition strategy. In addition, we collected data on planned versus actual cost, schedule and quantities to be fielded. We analyzed this information to determine what types of systems were being acquired and the extent to which programs were meeting planned cost, schedule, and quantity objectives. We relied on GAO's Applied Research and Methodology teams to array and analyze the acquisition programs in our review. Further, we interviewed SOCOM's senior-level program executive officers to access and review available data on about 50 urgent acquisition systems programs, and a small number of the Advanced Concept Technology Demonstration programs transitioned by SOCOM to its forces.

To assess and determine the management and workforce challenges facing SOCOM, we (1) reviewed and analyzed the current impact that unfunded near-term requirements had on the regular approved acquisition programs; (2) we reviewed and analyzed the command's key acquisition program management tool—the Special Operations Acquisition and Logistics Information System—for managing its acquisition programs; and (3) to assess the workforce challenges that SOCOM faces, we interviewed key SOCOM acquisition officials from SOCOM's Special Operations Acquisition and Logistics Center and key civilian and military personnel management officials at Tampa, Florida. We relied on previous GAO work as a framework for knowledge-based acquisition.

We performed our review from July 2006 through June 2007 in accordance with generally accepted government auditing standards.

Appendix II: SOCOM's Policies, Procedures, and Organizational Structure for Managing Acquisitions

SOCOM Plans, Resources, Acquires, and Sustains Weapon Systems All under One Roof

Unlike the military departments, which have geographically dispersed acquisition organizations, SOCOM's acquisition activities are geographically consolidated. All acquisition support functions integral to SOCOM's acquisition activities—contracting, budgeting, and requirements setting—are located at SOCOM headquarters.

The SOCOM Commander has duties analogous to both service Secretaries and the service Chiefs. For example, like the Secretaries, he has budget, programming, research, development and acquisition, contracting, and procurement authority, and he can direct investigations and audits. Similar to the service Chiefs, the Commander of SOCOM is charged with organizing, training, and equipping SOF personnel, establishing requirements, conducting operational testing, and providing operational logistics. Unlike other combatant commanders, the SOCOM Commander has both command and acquisition authorities—he is the only combatant commander with a “checkbook.” This arrangement allows SOCOM officials to plan, resource, and acquire SOF-peculiar equipment.

SOCOM decides what weapon systems and equipment to acquire through a centralized strategic-planning and resource allocation process where requirements are assessed and prioritized and programs are selected based on competing needs and available resources. The process has many of the characteristics of an integrated portfolio management framework that GAO recently reported as lacking at DOD in its departmentwide approach to weapon system investments.¹ That is, SOCOM addresses weapon system programs collectively from an enterprise level, rather than as independent and unrelated programs. Proposed programs are assessed through a screening process that weighs the relative costs, benefits, and risks of each, and selects those that help SOCOM balance near and future term opportunities, different SOF component capability needs, and

¹GAO, *Best Practices: An Integrated Portfolio Management Approach to Weapon System Investments Could Improve DOD's Acquisition Outcomes*, GAO-07-388 (Washington, D.C., Mar. 30, 2007). In this review, GAO compared DOD's processes for investing in weapon systems to the best practices that successful commercial companies use to invest in new products. GAO found that DOD's organizational structures, processes, and practices for planning and acquiring weapon systems at a department wide level are fragmented, making it difficult for the department to prioritize needs, make informed trade-offs, and achieve a balanced mix of programs that are affordable, feasible, and provide the best value to the warfighter. Commercial companies use an integrated portfolio management approach to product development where the relative pros and cons of market opportunities and competing product proposals are assessed and a balanced mix of products is selected that ensures a good return on investment and moves the company toward achieving its strategic goals and objectives within available resources.

available resources against the demand for new and ongoing systems and equipment.

SOCOM has a close relationship with its customers—the SOF community—and receives inputs regarding capability needs directly from SOF operators and component commands on an ongoing basis. SOCOM officials with operational experience and expertise in different program areas assess and prioritize the requests from the component commands on a bi-annual basis. These officials rate each proposal in terms of its potential to fulfill required military operational tasks. The officials then forward their assessments to SOCOM's central decision-making body—the Board of Directors—for a final determination of what acquisition programs should be undertaken by the command and where resources should go.

The Board of Directors is composed of the SOCOM commander, all SOF component commanders, as well as the Assistant Secretary of Defense, Special Operations and Low-Intensity Conflict (ASD(SO/LIC))—OSD's principal advisor on special operations activities and the organization charged with interfacing with SOCOM. ASD(SO/LIC)'s position on the Board of Directors allows DOD insight and a voice into what acquisition programs SOCOM undertakes.² Although DOD has an oversight role and decision authority over ACAT I programs, as previously discussed, over 95 percent of SOCOM's acquisition programs are below the ACAT I level. Therefore, ASD(SO/LIC) has no direct day-to-day oversight role in the bulk of SOCOM programs. The Board of Directors is SOCOM's primary and final approval authority regarding regular planned SOF-peculiar acquisition programs.

Once the need for a SOF capability is verified and approved through SOCOM's strategic planning process, it is reviewed through DOD's Joint Capabilities Integration and Development System (JCIDS) to verify that it

²The Assistant Secretary of Defense for Special Operations and Low-Intensity Conflict (ASD(SO/LIC)) is the principal staff assistant and civilian advisor to the Under Secretary of Defense for Policy and the Secretary of Defense on Special Operations (SO) and Low-Intensity Conflict (LIC) activities. ASD(SO/LIC) is responsible for developing, coordinating, and overseeing the implementation of policy for SO and LIC activities and for ensuring adherence to approved policy. ASD(SO/LIC) is also required to provide supervision of the preparation and justification of Special Operations Forces programs and budget. ASD(SO/LIC) is also charged to be the proponent for SO and LIC issues in the Defense Acquisition Board and other appropriate boards and committees, and maintain liaison to monitor progress in achieving milestones.

is a SOF-unique requirement, and not duplicative of a Service-common system.³ However, according to SOCOM officials, JCIDS often fails to resolve time-sensitive SOF capabilities gaps that may be identified during active combat. Therefore, to support SOF acquisition priorities, SOCOM established its own version of the larger joint-requirement-setting process—the SOF Capabilities Integration and Development System—which interoperates with the command's Acquisition Management System and Strategic Planning Process.

SOCOM employs a two-tiered SOF Capabilities Integration and Development System—standard and fast track—to support SOF priorities. The standard capabilities process parallels the JCIDS process although it is internal to SOCOM to specifically address SOF-unique capability gaps. The fast track process is used when a SOCOM component identifies an urgent and critical capability gap—derived from a combat-mission need statement. This process is not intended as a means to circumvent the command's standard acquisition portfolio management process, rather it is SOCOM's method to accelerate its response to compelling and time-sensitive SOF-peculiar needs.

Under the SOF Capabilities Integration and Development System, validation and approval of a combat mission need statement mandates an offset of resources as it constitutes a “must-pay” bill for SOCOM. Once the mission need statement is approved through the Fast-Track CIDS process, SOCOM officials initiate an urgent deployment acquisition to expedite the acquisition and field the required equipment. At this point, command officials reallocate resources to fund the urgent deployment acquisition. SOCOM's goal is to field equipment within 180 days of approval.

SOCOM Has Unique Program Management Structure Options

SOCOM can arrange to transfer program management and milestone decision authority (MDA) responsibilities to one of the military departments to execute the program on behalf of the command. SOCOM has delegated responsibilities to the military departments in many of the acquisition programs underway that involve some modification of military department-provided equipment or in cases where the services have greater technical and specific platform program management expertise,

³JCIDS is intended to manage military requirements across DOD, and provide a top down, analytic-based process for affirming capability gaps and proposed solutions to meet the needs of the warfighter.

such as fixed and rotary wing aircraft or submarine programs. SOCOM's Acquisition Executive is the milestone decision authority for all SOCOM acquisition programs, unless the executive delegates that authority. However, through memorandums of agreement with the Army, Navy, and Air Force, SOCOM employs a range of program management structures. The command has the following three basic options for managing individual programs:

- SOCOM can manage a program in-house by designating both a SOCOM program manager and MDA to execute the program.
- SOCOM, through a program specific memorandum of agreement with a military department, can agree on appointment of a department program manager to manage the program under the direction of a SOCOM MDA.
- SOCOM can transfer both program management and MDA responsibility to a military department through a program-specific memorandum of agreement, to execute the program on behalf of SOCOM.

Applicable policies and procedures vary somewhat for each of the program management options just described. For example, for SOCOM MDA and SOCOM managed programs, SOCOM's acquisition and logistics directives and standard operating procedures apply, and according to SOCOM, any exceptions are noted in the acquisition program's Acquisition Decision Memorandum. Secondly, for SOCOM MDA and military department managed programs, responsibilities and exceptions to SOCOM procedures are intended to be defined in program specific memorandums of agreement. Finally, for programs with a military department MDA and program manager, the military department's policies and procedures normally apply. Table 9 illustrates how the acquisition executive has delegated or retained decision authority for programs undertaken from 2001 to 2006.

Table 9: Summary of SOCOM Acquisition Programs' MDAs and Program Managers

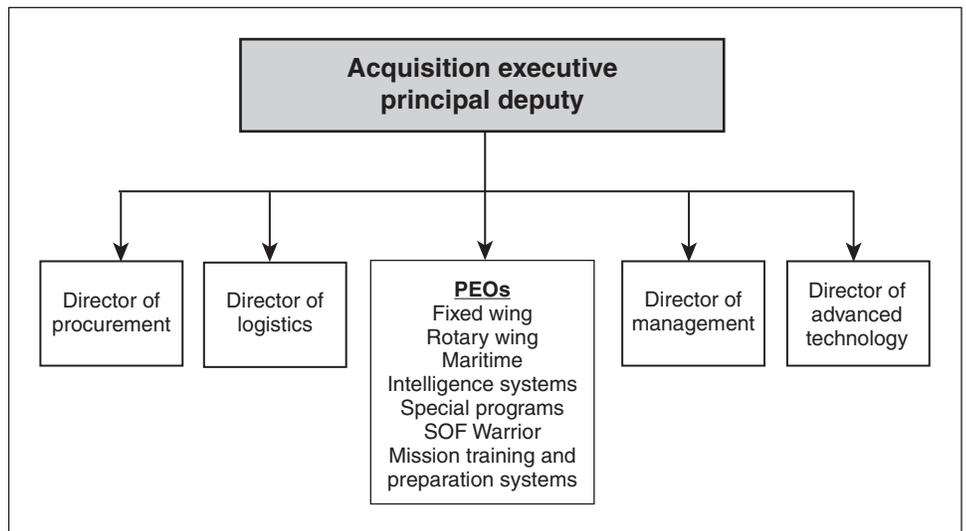
Milestone decision authority	SOCOM		Military department (MILDEP)
	Program manager	SOCOM	MILDEP
Percentages	45%	18%	37% ^a

Source: SOCOM data, GAO analysis.

^aTotals do not include one program with a non-MILDEP MDA and one program with a MILDEP MDA and SOCOM program manager.

SOCOM is the MDA for over 60 percent of its acquisition programs. The SOCOM MDA could be the Acquisition Executive or a program executive officer, depending on the size and importance of the program. The Acquisition Executive has delegated the MDA role to the military departments for approximately 37 percent of SOCOM's acquisition programs. For programs managed directly by SOCOM, the command has a hierarchical management structure, as shown in figure 6, which resembles the military departments in its internal acquisition organizational make-up.

Figure 6: SOCOM's Acquisition Programs Management Structure



Source: SOCOM.

The program executive offices utilize program managers and system acquisition managers organized by program. System acquisition managers are charged with assisting the military department in program planning

**Appendix II: SOCOM's Policies, Procedures,
and Organizational Structure for Managing
Acquisitions**

and execution and also representing SOCOM at military department-led integrated-product teams, technical conferences, and program reviews. System acquisition managers are normally used when the MDA and program manager or both options are assigned to a military department.

Appendix III: Comments from the Department of Defense



ACQUISITION,
TECHNOLOGY
AND LOGISTICS

OFFICE OF THE UNDER SECRETARY OF DEFENSE

3000 DEFENSE PENTAGON
WASHINGTON, DC 20301-3000

JUN 14 2007

Mr. Paul L. Francis
Director, Acquisition and Sourcing Management
U.S. Government Accountability Office
441 G Street, N.W.
Washington, DC 20548

Dear Mr. Francis:

This is the Department of Defense (DoD) response to the GAO Draft Report, GAO-07-620, 'DEFENSE ACQUISITIONS: An Analysis of the Special Operations Command's Management of Weapon System Programs,' dated May 16, 2007 (GAO Code 120563).

The Department has completed its evaluation of the draft report. The DoD response to the GAO recommendations are contained in Attachment 1. At Attachment 2, I've included some technical accuracy and editorial review comments for your consideration.

My point of contact for the recommendation response and review comments is Grace Washburn, (703) 697-3383, grace.washburn@osd.mil.

Sincerely,

Nancy L. Spruill
Director, Acquisition Resources
and Analysis

Enclosures
As stated



GAO Draft Report Dated May 16, 2007
GAO-07-620 (GAO CODES 120563)

**"DEFENSE ACQUISITIONS: AN ANALYSIS OF THE SPECIAL OPERATIONS
COMMAND'S MANAGEMENT OF WEAPON SYSTEM PROGRAMS"**

**DEPARTMENT OF DEFENSE COMMENTS
TO THE GAO RECOMMENDATION**

RECOMMENDATION 1: The GAO recommended that the Secretary of Defense take steps to ensure Special Operations Command (SOCOM) establishes sound business cases for its more complex and military service-managed acquisition programs. Integral to this is applying the elements of a knowledge-based acquisition strategy and having effective arrangements in place with the military services that specify clear roles, responsibilities, and expectations for executing programs.

DOD RESPONSE: Partial concur. DoD concurs with the recommendation that OSD should take steps to ensure that Special Operations Command (SOCOM) establishes sound business cases for its more complex and military department-managed acquisition programs. DoD concurs with the recommendation to update its Memoranda of Agreement with military departments to specify clear roles, responsibilities, and expectations for executing programs. DoD concurs with applying elements of a knowledge-based acquisition strategy but only after it is defined by DoD within the 5000 series of documents.

RECOMMENDATION 2: The GAO recommended that the Secretary of Defense take steps to ensure SOCOM, as it increases its acquisition workforce: (1) obtains personnel with the skills and abilities needed for more complex acquisitions, (2) makes sure personnel meet DoD acquisition certification level requirements, and (3) has the ability to make the hiring process as efficient as possible.

DOD RESPONSE: Concur

RECOMMENDATION 3: The GAO recommended that the Secretary of Defense take steps to ensure SOCOM improves the accuracy, timeliness, and usefulness of its acquisition management information system. To accomplish this, SOCOM should: (1) establish enforcement mechanisms to make sure program managers submit updated information on a regular basis and (2) conduct quality checks to make sure the information is reliable.

DOD RESPONSE: Concur

Appendix IV: GAO Contact and Staff Acknowledgments

GAO Contact

Paul L. Francis, Director, (202) 512-4841

Staff Acknowledgments

In addition to the contact above, John Oppenheim, Assistant Director, Leon S. Gill, John Ortiz, Michele Williamson, Julia Kennon, Greg Campbell, and Marie Ahearn made key contributions to this report.

Related GAO Products

Defense Acquisitions: Assessments of Selected Weapon Programs.
[GAO-07-406SP](#). Washington, D.C.: March 30, 2007.

Defense Acquisitions: Assessments of Selected Major Weapon Programs.
[GAO-06-391](#). Washington, D.C.: March 31, 2006.

Defense Acquisitions: Assessments of Selected Major Weapon Programs.
[GAO-05-301](#). Washington, D.C.: March 31, 2005.

Defense Acquisitions: Assessments of Major Weapon Programs.
[GAO-04-248](#). Washington, D.C.: March 31, 2004.

Defense Acquisitions: Assessments of Major Weapon Programs.
[GAO-03-476](#). Washington, D.C.: May 15, 2003.

Defense Acquisitions: Advanced SEAL Delivery System Program Needs Increased Oversight. [GAO-03-442](#). Washington, D.C.: March 31, 2003.

Defense Acquisitions: Readiness of the Marine Corps' V-22 Aircraft for Full-Rate Production. [GAO-01-369R](#). Washington, D.C.: February 20, 2001.

Navy Aviation: V-22 Cost and Capability to Meet Requirements Are Yet to Be Determined. [NSIAD/GAO-98-13](#). Washington, D.C.: October 22, 1997.

GAO's Mission

The Government Accountability Office, the audit, evaluation and investigative arm of Congress, exists to support Congress in meeting its constitutional responsibilities and to help improve the performance and accountability of the federal government for the American people. GAO examines the use of public funds; evaluates federal programs and policies; and provides analyses, recommendations, and other assistance to help Congress make informed oversight, policy, and funding decisions. GAO's commitment to good government is reflected in its core values of accountability, integrity, and reliability.

Obtaining Copies of GAO Reports and Testimony

The fastest and easiest way to obtain copies of GAO documents at no cost is through GAO's Web site (www.gao.gov). Each weekday, GAO posts newly released reports, testimony, and correspondence on its Web site. To have GAO e-mail you a list of newly posted products every afternoon, go to www.gao.gov and select "Subscribe to Updates."

Order by Mail or Phone

The first copy of each printed report is free. Additional copies are \$2 each. A check or money order should be made out to the Superintendent of Documents. GAO also accepts VISA and Mastercard. Orders for 100 or more copies mailed to a single address are discounted 25 percent. Orders should be sent to:

U.S. Government Accountability Office
441 G Street NW, Room LM
Washington, D.C. 20548

To order by Phone: Voice: (202) 512-6000
TDD: (202) 512-2537
Fax: (202) 512-6061

To Report Fraud, Waste, and Abuse in Federal Programs

Contact:

Web site: www.gao.gov/fraudnet/fraudnet.htm

E-mail: fraudnet@gao.gov

Automated answering system: (800) 424-5454 or (202) 512-7470

Congressional Relations

Gloria Jarmon, Managing Director, JarmonG@gao.gov (202) 512-4400
U.S. Government Accountability Office, 441 G Street NW, Room 7125
Washington, D.C. 20548

Public Affairs

Paul Anderson, Managing Director, AndersonP1@gao.gov (202) 512-4800
U.S. Government Accountability Office, 441 G Street NW, Room 7149
Washington, D.C. 20548