



United States  
General Accounting Office  
Washington, D.C. 20548

151467

Accounting and Information  
Management Division

B-254974

April 26, 1994

Lt. Gen. Alonzo E. Short, Jr., USA  
Director, Defense Information Systems Agency  
701 South Courthouse Road  
Arlington, VA 22204-2199

Dear General Short:

As you know, section 9047 of the fiscal year 1993 Department of Defense Appropriations Act prohibits Defense and the Navy from expending funds to implement data center consolidation plans or making reductions in force or personnel transfers that affect the Naval Computer and Telecommunication Stations; Enlisted Personnel Management Center; Naval Reserve Personnel Center; and "related missions, functions, and commands" until 60 days after submitting a report to the House and Senate Committees on Appropriations. The law further stipulates that Defense's report include comments and a "certification" by us justifying any consolidations, reductions in force, or personnel transfers. This letter provides our comments on Defense's report under section 9047 and incorporates your staff's comments.

Your July 30, 1993, report states that the Navy's Information Technology Facility (ITF) Consolidation Plan of June 1, 1992, and Defense's Data Center Consolidation Plan (as revised July 16, 1993), taken together, fully comply with the language and intent of the appropriations act. However, your response addresses just five of the eight elements specified by section 9047 and, accordingly, we are unable to conclude that Defense has satisfied the various reporting requirements of that legislation.

Defense has had two major initiatives to improve the effectiveness and reduce the costs of automated data processing (ADP) operations. The first, Defense Management Review Decision (DRMD) 924, envisioned consolidating such operations along military service and Defense agency lines;

however, Defense subsequently directed a Defense-wide initiative, DRMD 918. Section 9047 calls for Defense and Navy to jointly report on how such initiatives would impact selected aspects of military operations, civilian and military employment, and the economy of a particular area.

To complete our review, we analyzed Defense's report and discussed it and our comments with Defense officials. We also relied on two previous GAO reports, Information Technology: Comments on Navy Facility Consolidation Plan (GAO/NSIAD-93-87, Dec. 3, 1992), and Military Bases: Analysis of DOD's Recommendation and Selection Process for Closure and Realignment (GAO/NSIAD-93-173, Apr. 15, 1993).

Our assessment of your report showed that Defense adequately evaluated five of the eight required elements. The report, however, only partially addressed the potential adverse impact on (1) military and civilian personnel and (2) mission, endstrengths, and billets. In addition, the report was silent regarding a third element--the potential double counting of DMRD savings.

Regarding the impact on military and civilian personnel, the report stated that the consolidation of ITFs would eliminate 646 military personnel positions without adversely impacting service members' quality of life. It also said that the consolidation would not detract from military personnel's economic well-being because Defense does not expect to transfer any of these personnel until their current tours of duty expire. The Defense report did not, however, address the potential adverse impact on civilian personnel. However, on January 6, 1994, Defense published a Human Resources Implementation Plan which lays out a strategy to mitigate the adverse impact of consolidation on civilian personnel which we believe now adequately addresses this area.

Concerning the consolidation's potential impact on mission, endstrengths, and billets, the report offered general assurance that the consolidation would provide equal or better service, including support of operational readiness, for Defense customers. However, the report did not provide any details as to how this sustained service would be achieved. With regard to endstrengths and billets, which relate to authorized positions and staffing levels, the report was silent.

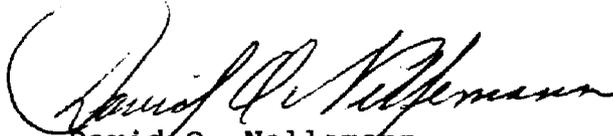
B-254974

Finally, Defense's report did not address whether consolidation actions and related savings were counted under more than one DMRD. Defense lacks any effective mechanism with which to quantify savings and a rational basis for assigning savings from any specific consolidation. As a result, we cannot certify that Defense has not, or will not, double-count savings from DMRDs 918 and 924. According to Defense officials, there is a potential to double-count these savings, at least with regard to the Navy. Specifically, the Navy's DMRD 924 savings were taken out of the Service's budget in advance. This was done even though the Navy's 924 plan was not implemented, and the related data center consolidations are expected to occur under DMRD 918.

- - - - -

Our point of contact for this work is Frank W. Deffer, Assistant Director, Information Resources Management/National Security and International Affairs. If you have any questions, please contact me at (202) 512-6413 or Mr. Deffer at (202) 512-6226.

Sincerely yours,



David O. Nellesmann  
Director, IRM/NSIA

(511280)