General Services Administration
Information Resources Management Service
Washington, DC 20405

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Mr. Richard A. Ames
Associate Administrator for
Finance and Administration
Agency for International Development
New State, Room 3932
320 Twenty-First Street, NW.
Washington, DC 20523-0051

Dear Mr. Ames:

Enclosed is the final report for the General Services Administration's (GSA's) Information Resources Procurement and Management Review conducted at the Agency for International Development (AID) from March 29 to May 5, 1993. The comments received from AID have been analyzed and appear in the final report as Appendix C. GSA hopes that this review has provided AID with valuable information and the report will serve as a useful management tool.

The next step in the process is for AID to prepare an Action Plan, with milestone dates, for implementation of the recommendations contained in the report. Please submit the Action Plan to GSA 90 days from the date of this letter. As a follow-up to the Action Plan, GSA will require a progress report six months from that date, detailing accomplishments against the final report's recommendations. Further progress reports will need to be prepared semi-annually until all the recommendations have been addressed.

GSA appreciates AID's enthusiastic participation in this process and looks forward to working with AID in the future. Should any questions arise regarding the final report, please contact Joan Matejceck at (202) 501-1332.

Sincerely,

Francis A. McDonough
Assistant Commissioner for
Federal Information
Resources Management

Enclosure

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INFORMATION RESOURCES PROCUREMENT AND MANAGEMENT REVIEW

AGENCY FOR INTERNATIONAL DEVELOPMENT

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INFORMATION RESOURCES PROCUREMENT AND MANAGEMENT REVIEW

AGENCY FOR INTERNATIONAL DEVELOPMENT

EXECUTIVE SUMMARY

The General Services Administration (GSA) conducted an Information Resources Procurement and Management Review (IR/PMR) of the Agency for International Development (AID) from March 29 through May 5, 1993. The purpose of this review was to assess the management and acquisition of information technology by AID, with particular emphasis on management of authorities delegated by GSA. This report presents a description of AID's information resources management (IRM) and acquisition management programs and opportunities and recommendations for improvement.

In general, GSA found that AID is making progress toward the development of an effective IRM program. While there are opportunities for improvement, AID has focused management attention upon IRM and has achieved beneficial results in a number of areas.

Several factors contribute to the current IRM environment within AID:

- Resources are scarce to support IRM activities throughout the Agency. This situation impacts plans and schedules for all IRM programs.

- The volatility of the global diplomatic environment within which AID operates has a direct impact upon IRM requirements as well as budgets. Currency fluctuations are a continuing source of uncertainty.

- AID's close working relationship with the Department of State has influenced its information systems environment over the years. This relationship continues to have an effect upon telephone systems and, to a certain extent, AID legacy systems.

- The overseas operating environment of the missions creates unique opportunities and limitations for the use of information technologies.

- Changes in the world political environment has resulted in adjustments in AID's mission, not all of which are yet well-defined. This has a direct impact upon information systems definition and development.

- The pervasiveness of contractor personnel in critical support positions requires intensive managerial oversight and planning.

These conditions have resulted in a strong motivation to "do more with less" and to define and develop information systems compatible with a highly distributed yet resource-poor organization.

During the IR/PMR, GSA identified several areas of strength in AID's IRM program:

Oversight of IRM activities within AID is generally adequate. AID's small size lends itself to informal oversight processes that are not elaborate yet are effective. AID conducts yearly assessments of IRM activities and maintains quarterly oversight of key objectives through the Program Activity Plan (PAP) process. The Office of Information Resources Management (FA/IRM) reviews and approves all information technology (IT) procurements acquired through the use of Operating Expense (OE) funds. AID could improve its oversight of IRM programs and projects through adopting a consistent life cycle management methodology that deals with IRM programs and projects from their inception through implementation and operation. AID has established some aspects of life cycle management concepts, such as the PAP reviews. A comprehensive methodology would also incorporate review and acceptance of products, ensuring that products as well as cost and schedule remain on track.

AID has improved the strategic IRM planning process during the past three years. The Strategic Information Resources Management Plan defines long-term goals and initiatives to reach those goals. An accompanying tactical plan outlines specific steps making up each initiative. AID is working to incorporate the direction defined in the Information Systems Plan (ISP) into the Strategic IRM Plan along with initiatives focusing upon installed and planned interim systems. More work is needed to complete integration of these two products. At the same time, AID needs to pursue a closer link between the Strategic IRM Plan and the IT budget. Finally, AID should develop methods for enhancing customer involvement in the development of the annual Plan. This will be particularly important as the Plan is further integrated with the ISP process and with the budget.

AID's approach to modernization of its information resources is comprehensive and relatively cohesive. For example, AID has focused early attention upon immediate, direct service to customers through the Excellence Through Automation program and has achieved improvement in worldwide ability to communicate. Additionally, AID has taken steps to eliminate proprietary systems from its architecture. At the same time, AID has established commodity and services contracts that will assist customers in acquiring resources to develop and implement new information systems. AID has elected to use an Information Engineering methodology to define data needs and define needed information systems. Use of this methodology will provide the pathway to use of Computer Aided Software Engineering (CASE) tools for software development. AID has taken many positive steps toward creating an optimum information systems environment. AID's modernization of information systems through the ISP process, however, is in the early stages of development and is not without risks. These risks are summarized in the discussion of opportunities for improvement in the IRM program.

Procurement and contracting as well as acquisition management areas are generally well-managed within AID. Contracts supplying the bulk of AID's IT needs are centrally-managed and individually controlled. Procurement to support IRM is highly centralized, with a single contracting activity conducting all significant IT procurements. Although AID's personnel resources are extremely limited in this area, there is evidence of periodic review of acquisition activities. There are specific improvements that could be made to make these areas even more effective: AID should develop guidance for the development of pre-acquisition studies. In the cases studied by GSA, the quality of pre-acquisition studies was variable and in some cases inadequate. AID should also consider some additional documentation of its procurement planning process. While a limited number of procurements can be handled through the informal methods now used, AID may find that as additional procurements are generated through the ISP process, the informal planning process may prove to be inadequate. Lastly, although AID communicates with the vendor community through Commerce Business Daily (CBD) announcements and occasionally through vendor conferences, more use could be made of other pre-solicitation techniques such as Requests for Comment.

GSA found the records management program within AID to be complete, well-managed and in the forefront of activity to define standards for management of electronic records. AID uses a network of Records Liaison Officers in each activity to maintain the effectiveness of the program. Although hampered by resource constraints, records management reviews are regularly conducted in AID offices and missions.

The IR/PMR also revealed some opportunities for improvement of the AID IR/PMR program:

AID has reorganized and changed the direction of its primary IRM organization, FA/IRM during the past two years. AID recognizes that changes in its information systems approach and infrastructure will require FA/IRM to transform from an organization that is primarily involved in information systems maintenance and operations to an organization that primarily provides customer support, corporate planning, and systems engineering services. These changes necessitate additional work in the areas of internal information systems policy as well as further definition of the roles of all AID organizations in the IRM program. Additional work remains before this transition is complete. Specifically, AID needs to continue its work on updating its internal guidance and publish that guidance as soon as possible. In addition, more work is needed to define the respective roles and responsibilities of FA/IRM and AID components in the IRM program. With program changes happening so rapidly, customers, who have a significant role to play, are not consistently receiving information that they need to fulfill their responsibilities effectively. Communication needs to be improved. Also, there is confusion among customer organizations regarding the respective responsibilities of the Center for Development Information and Evaluation (CDIE) and FA/IRM. These responsibilities need to be clarified and then communicated to all AID components.

GSA also found that almost every IRM activity is impacted by a lack of staff resources and by delays in bringing on planned staffing. AID makes extensive use of contractors, but there are many functions that contractors may not undertake. In addition, day-to-day management of contractor resources requires time on the part of AID's direct hires. AID is undertaking a major modernization of its information systems with the ISP with essentially the same level of staff that were already in place to maintain the current base of systems. At the same time, those installed systems continue to require maintenance. Also, some interim systems development will be necessary to continue operations until the new systems can be implemented. The primary customer support organization, the Customer Liaison and Support Division (CLS), has been particularly hard-hit, impacting its ability to coordinate existing system and modernization activities with component organizations. This situation represents the most significant risk to the success of the modernization effort of any factor identified by GSA. AID should increase staffing resources to ensure that existing systems can be maintained and that the modernization receives sufficient support to be successful.

AID requested that GSA take particular care in defining areas of risk for the Information Systems Plan (ISP) effort. In addition to the issue of staffing to support the effort, GSA identified three other areas for management attention. AID is entering a critical stage in the ISP effort, where the involvement and support of all agency components are critical to success. The process undertaken by AID involves not only examining data and existing systems, but also examining current work processes through which AID achieves its mission and possibly making changes in those processes. AID component organizations are beginning to realize the far-reaching nature of the modernization effort. At the same time, the ISP is viewed as belonging to FA/IRM. There is growing sentiment that FA/IRM should not be responsible for decisions regarding work processes of AID component organizations. It is important to the success of the ISP for AID to ensure that all participants view the ISP as an Agency-owned process and view information systems users as owners of the resulting systems.

While the ISP process is ongoing, Client Analysts (CAs) from CLS continue to work with components to satisfy their immediate needs for information systems support. AID should ensure that there is a method for including the information on customer requirements obtained through this process into the ongoing modernization effort. While not all of these requirements are corporate in nature, there may be instances where these requirements should be included in plans for new systems.

AID is placing great reliance upon the ISP to remedy a number of current systems inadequacies. However, modernization programs of this scope are frequently subject to delay due to a number of factors including budgetary and mission changes. AID needs to devote some time to contingency planning to ensure that existing systems are able to continue to serve customers in the event that completion of the ISP program is delayed.

Finally, AID has recently taken steps toward developing a program supporting information systems accessibility for employees with disabilities. A coordinator has been named and a

handbook describing the program is in draft form. In addition, recent IT procurements have included clauses supporting accessibility requirements. AID needs to continue building upon these activities through completing the activities already underway, identifying the customers for these services throughout the agency and publicizing the availability of assistance.

MAJOR FINDINGS

The following findings and conclusions resulted from the Information Resources Procurement and Management Review (IR/PMR) conducted at the Agency for International Development (AID):

1. AID'S IRM ORGANIZATION HAS MADE A NUMBER OF ORGANIZATIONAL AND PROGRAM CHANGES TO BETTER SERVE THE INFORMATION NEEDS OF THE AGENCY. ADDITIONAL WORK IS NEEDED TO SOLIDIFY THESE CHANGES.

2. AID IS HAMPERED IN ACHIEVING ITS IRM OBJECTIVES BY INADEQUATE STAFFING RESOURCES.

3. OVERSIGHT OF IRM ACTIVITIES IN AID IS GENERALLY ADEQUATE. OVERSIGHT OF INFORMATION SYSTEMS PROJECTS COULD BE IMPROVED.

4. AID HAS TAKEN STEPS TOWARD ESTABLISHING A STRATEGIC IRM PLANNING PROGRAM. ADDITIONAL STEPS ARE NEEDED TO MAXIMIZE ITS UTILITY AS A MANAGEMENT TOOL.

5. AID IS TAKING STEPS TOWARD A COMPREHENSIVE MODERNIZATION OF INFORMATION SYSTEMS. ADDITIONAL MANAGEMENT ATTENTION IS NEEDED TO LIMIT RISKS TO THE PROGRAM.

6. AID HAS EFFECTIVE PROCUREMENT AND CONTRACTING PROCESSES FOR INFORMATION TECHNOLOGY (IT) RESOURCES. ACQUISITION PLANNING FOR IT PROCUREMENTS COULD BE IMPROVED.

7. AID'S ACQUISITIONS OF INFORMATION TECHNOLOGY RESOURCES ARE GENERALLY WELL-MANAGED; HOWEVER, THERE ARE AREAS FOR IMPROVEMENT.

8. AID IS TAKING STEPS TOWARD DEVELOPMENT OF A PROGRAM SUPPORTING INFORMATION SYSTEMS ACCESSIBILITY FOR END-USERS WITH DISABILITIES; HOWEVER, MORE WORK IS NEEDED.

9. AID HAS A STRONG RECORDS MANAGEMENT PROGRAM WHICH IS MOVING FORWARD AGGRESSIVELY IN ESTABLISHING STANDARDS FOR ELECTRONIC RECORDKEEPING.

RECOMMENDATIONS

The following recommendations will assist AID in improving the effective and efficient management, acquisition, and use of IRM resources. AID should:

1. CONTINUE ITS EFFORTS TO SOLIDIFY THE IRM PROGRAM AND TO DEFINE THE ROLES OF ALL AID ORGANIZATIONS IN IRM ACTIVITIES.

2. INCREASE STAFFING TO IRM ACTIVITIES TO ACHIEVE PROGRAM OBJECTIVES.

3. ADOPT A PROCESS TO MANAGE INFORMATION SYSTEMS PROJECTS.

4. CONTINUE ITS EFFORTS TO DEVELOP THE STRATEGIC IRM PLANNING PROGRAM.

5. TAKE STEPS TO ENSURE THAT THE MODERNIZATION PROGRAM HAS SUSTAINED CUSTOMER BUY-IN, THAT IT RECEIVES SUFFICIENT RESOURCES TO MEET OBJECTIVES AND THAT IT CONSIDERS EVOLUTIONARY CHANGES TO CURRENT SYSTEMS ON AN ONGOING BASIS.

6. CONSIDER ENHANCING ITS ACQUISITION PLANNING FOR IT RESOURCES PROCUREMENTS.

7. CLARIFY ACCOUNTABILITY FOR AGENCY PROCUREMENT REQUESTS AND DELEGATIONS OF PROCUREMENT AUTHORITY. AID SHOULD ALSO CONSIDER EXPANDING COMMUNICATION WITH THE VENDOR COMMUNITY.

8. FORMALIZE ITS COMPUTER ACCESSIBILITY PROGRAM AND PUBLICIZE IT.

I. INTRODUCTION

The General Services Administration (GSA) has taken a number of steps over the last ten years to increase its delegation of procurement authority (DPA) to Federal agencies. Consequently, GSA has placed greater emphasis on the responsibilities of agency officials to ensure that current regulatory provisions are followed before acquisitions take place.

In 1983, GSA raised agencies' blanket dollar thresholds to $2.5 million for competitive procurement of automatic data processing (ADP) equipment. The agency made similar increases for other procurement alternatives such as GSA schedules, sole source contracts and leasing. GSA thus extended greater autonomy and oversight responsibility to the agencies.

In recent years, GSA has significantly broadened the scope of its reviews to include nearly all functional information resources management (IRM) areas. The new title, "Information Resources Procurement and Management Reviews," reflects these changes. While the cornerstone of these reviews continues to be the information technology acquisition process and compliance with the Federal IRM Regulation (FIRMR), the reviews address management and organizational issues as well.

Through the Brooks Act of 1965 and the Paperwork Reduction Reauthorization Act of 1986, GSA may grant broad procurement authority to agencies that have demonstrated IRM management competence, resulting in less direct involvement by GSA. Such delegations are intended to provide strong incentives to the agencies to make substantial improvements in the management and acquisition of information resources. In particular, agency oversight of IRM and acquisition of Federal information processing (FIP) resources are primary factors in GSA's determination for granting regulatory or specific agency delegations.

In the spring of 1989, GSA conducted a program review of its authorizations and management review functions, resulting in some material changes to the review program. The most fundamental of these changes was GSA's decision to conduct more agency reviews beginning in fiscal year 1990.

During the period of fiscal years 1990 through 1992, GSA conducted IRM reviews at the rate of six per year. Beginning in fiscal year 1993, GSA is conducting reviews at the increased rate of 9 per year. This move is intended to strengthen GSA's oversight by ensuring that the largest 27 Federal agencies are reviewed every three years. These agencies represent 99 percent of Federal expenditures in information technology resources.

In 1992, GSA again re-evaluated its management review program. As a result, GSA revised its review methodology to place more emphasis on agencies' management of major information systems throughout the life cycle. To accomplish this, GSA is selecting several of the agency's critical systems initiatives and is evaluating the management of them during each phase of the system life cycle. In future reviews, GSA will also focus on an agency's

effective management of information as a tool to further mission objectives.

A. Review Scope and Methodology

The GSA, under its Brooks Act and Paperwork Reduction Act authorities, conducted an Information Resources Procurement and Management Review (IR/PMR) of the Agency for International Development (AID) from March 29, 1993 through May 5, 1993. The review focused on AID's IRM activities and oversight of the acquisition of information technology.

On January 8, 1993, GSA sent an Entrance Letter to the Designated Senior Official (DSO) for IRM. This letter, which announced this review, included a detailed Pre-Review Questionnaire. GSA used the questionnaire response to assist in determining the scope of AID's IR/PMR. The priority review areas included in this questionnaire were as follows: strategic IRM planning, oversight/internal delegation of authority, IT procurement/contracting, IRM organization, hardware and software modernization initiatives, records management, acquisition management, computer accessibility for end users with disabilities, and major information systems.

An Entrance Interview was held on March 24, 1993, with GSA officials and senior AID officials responsible for the agency's IRM program. Representing AID at the interview were the Associate Administrator for Finance and Administration and the Deputy Assistant Administrator for Finance and Administration along with officials from the Office of Information Resources Management. The on-site portion of the review began on March 29, 1993, and continued for six weeks.

Throughout the on-site portion of the review, the GSA review team held discussions with AID officials. Emphasis was placed on the Office of Information Resources Management, which has overall responsibility for AID's information resources. Interviews were also held with officials from the Office of Procurement, the Office of Budget, the Office of the Inspector General, the Office of the General Counsel, and with several Bureaus, Missions and Offices reporting to the Directorate for Operations and the Directorate for Policy.

The GSA review team evaluated AID's documentation on information resources procurement and management policies, procedures, and organizational missions and functions. The team reviewed four acquisition case files to validate compliance with Federal regulations and to evaluate the adequacy of supporting studies that were certified as completed. Appendix B summarizes these cases. The case files evaluated were:

- KMA-88-0052, KMA-90-0259, KMA-90-0259(a) — AID Mission Automation Project
- KMA-91-0222 — AID Data Base Management System (DBMS) Technology Upgrade Project

- KMA-92-0046 Application Systems Support Services
- KMA-92-0211 Automatic Data Processing Equipment (ADPE) Procurement

B. Agency Overview

The Agency for International Development (AID) is responsible for assisting developing countries in increasing their productive capabilities, improving their quality of life and developing their human and economic resources. AID's programs, which are normally carried out on a bilateral basis, consist of two types: development assistance, ordinarily in the form of specific projects or groups of related projects, and economic support, usually in the form of outright transfer of funds and/or commodities. The Foreign Assistance Act of 1961, as amended, authorized the Agency to administer these types of programs. Under the Special Assistance Initiatives Program established in 1990, AID provides extraordinary economic assistance in developing countries. Under the Agricultural Trade Development and Assistance Act of 1954, as amended, AID administers a number of food and nutrition programs.

AID operates 108 overseas posts as well as offices in the Washington, D.C. area. Approximately 10,000 people are employed by AID in some capacity. This estimate includes approximately 3400 direct hires, of which 1200 are foreign service personnel posted to overseas missions. The remaining 2200 are both GS and FS employees based in AID/Washington. Missions vary in size from 1 or 2 people to over 200. Overseas missions are involved primarily in direct program delivery while AID/Washington (AID/W) offices support program activities worldwide.

AID's total information technology (IT) budget for FY 1992 was approximately 49 million dollars, the majority of which was expended on information resources management (IRM) support functions.

The Agency functions under an Administrator, who concurrently serves as the Director of the International Development Cooperation Agency. Three Directorates and a number of Offices report directly to the Administrator. Exhibit 1 depicts the organizational structure of AID. The Directorate for Finance and Administration includes offices responsible for budget and finance and other administrative functions as well as the Office of Procurement and the Office of Information Resources Management (FA/IRM). The Directorate for Policy is the central organization for policy and planning activities supporting the mission of the Agency. AID missions are organized under Bureaus which report to the Directorate for Operations. There are five bureaus for the missions: Bureau for Africa, Bureau for Asia, Bureau for Europe, Bureau for Latin America and the Caribbean; and the Bureau for the Near East. In addition, the Bureau for Research and Development, the Bureau for Food & Humanitarian Assistance, the Bureau for Private Enterprise, and the Newly Independent States Task Force report to this Directorate. Also reporting to the Administrator are the Office of External Affairs, the Office of Equal Opportunity Programs, the Office of Small and Disadvantaged

AGENCY FOR INTERNATIONAL DEVELOPMENT

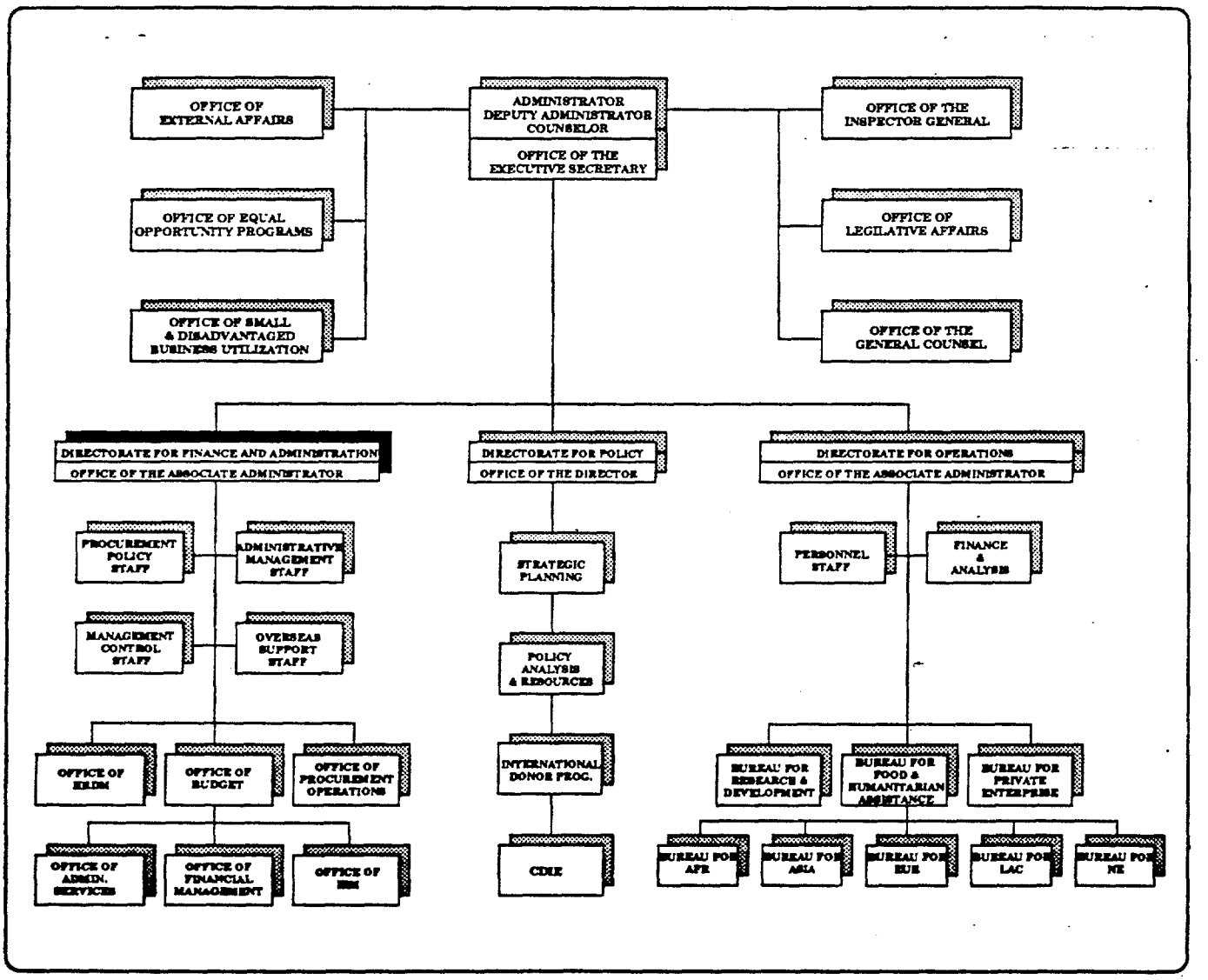

Exhibit 1

Business Utilization, the Office of the Inspector General, the Office of Legislative Affairs, and the Office of the General Counsel.

The Associate Administrator of the Directorate for Finance and Administration (AA/FA) is the Designated Senior Official for the Agency. All major information resources management (IRM) functions report to AA/FA with the exceptions of Privacy Act and Freedom of Information Act activities that are located in the Office of External Affairs (XA). The DSO has delegated authority for these activities to that Office.

Within the DSO's organization, FA/IRM has the responsibility for the management of the IRM program. FA/IRM provides a number of services for the Agency including central computer operations, hardware and software maintenance, telephone and telecommunications services, new information systems development, IRM acquisitions support, user support, advisory support for project/program funded IRM activities, new technology development and office automation support. FA/IRM is spearheading AID's ambitious effort to redesign its information systems through the Information Systems Plan (ISP). Reorganized in 1992, the current FA/IRM structure consists of five Divisions. Exhibit 2 depicts the FA/IRM organizational structure.

The Planning, Management and Acquisition Division (PMA) is responsible for planning, development control and expenditure of the AID information technology (IT) budget. PMA develops the IRM strategic plan as well as the IT budget. PMA also provides contracting support through managing procurements and purchases for IRM-related resources throughout the Agency. PMA is responsible for development of agencywide IRM policies and management of the information security program. The IRM review program is also managed by PMA.

The Information Policy and Administration Division (IPA) provides guidance to the Agency on technical architecture, information engineering, data administration, as well as new technology research and development. IPA is also responsible for the Quality Assurance program for IRM.

The Telecommunications and Computer Operations Division (TCO) provides computer operations support for AID's central computer and telecommunications facilities. TCO is responsible also for administering the AID/W telephone system and working with the Department of State which owns the system. TCO maintains AID's disaster recovery plan.

The Systems Development and Maintenance Division (SDM) is the focal point within FA/IRM for the development and maintenance of application systems for AID. Largely through contractors, SDM directs the design, development, programming and implementation of automated systems for all platforms. The majority of SDM's resources are assigned to maintenance activities. SDM also acts as AID's data base administrator, managing AID data base software, coordinating the design and maintenance of AID data bases, and providing performance tuning, data base access control and data element dictionary maintenance.

OFFICE OF INFORMATION RESOURCES MANAGEMENT

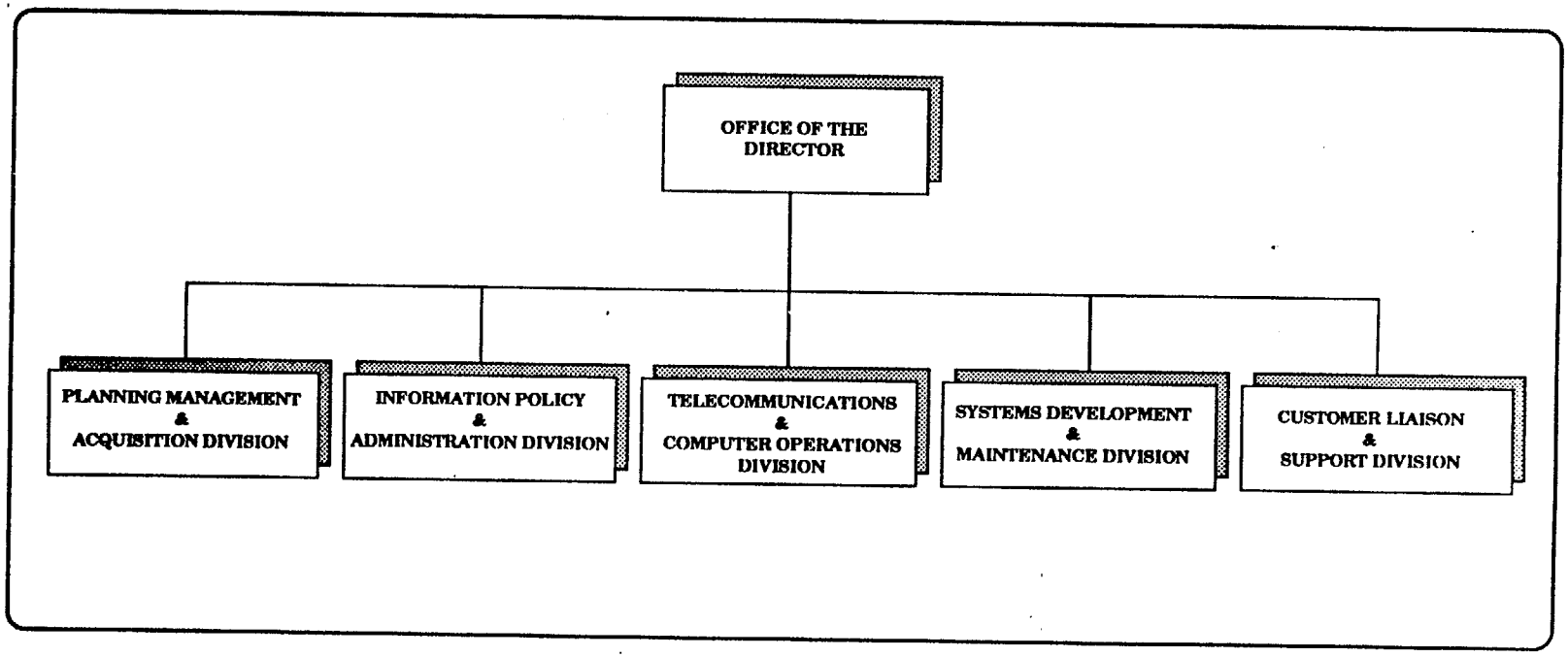

Exhibit 2

The Customer Liaison and Support Division (CLS) provides direct support to organizations throughout AID by helping them to determine their requirements and then forwarding requests through PMA for procurement. CLS representatives maintain close contact with clients, providing day-to-day advice and problem resolution. CLS serves as the interface between the IRM organization and the customer in areas such as planning, standards, and future direction of the IRM program. CLS also maintains technical support centers where users can access personal computer tools and obtain technical assistance.

The Contract Management Information System Staff (CIMS) is the only branch within the Office of Procurement that conducts IT resource procurements. CIMS not only provides the contracting activity for FA/IRM but also acquires IT resources over $100,000 for functions and activities outside of FA/IRM's authority. Procurement policy, including IT procurements, is established by the Procurement Policy and Evaluation Staff. This staff supports the AID Procurement Executive, who is the Deputy Assistant Administrator for FA.

Customer organizations within AID vary in their approach to information systems. Some organizations are quite innovative and sophisticated in their use of information systems while others struggle to utilize basic applications. The issue of resources pervades discussions regarding information systems in all organizations. For the most part, AID organizations do not have staff resources available to devote to information systems activities. Contractors are the primary source of IT expertise. Most customer organizations have a "systems manager" who is the primary point of contact with FA/IRM on information systems issues. AID component organizations have historically relied upon FA/IRM to define the direction of information systems development and then to assist them in achieving that vision.

The current information systems environment within AID is a mixture of centralized applications residing on IBM mainframes and Wang minicomputer systems and a wide array of microcomputer/server-based applications. AID made a decision two years ago to move toward a more open systems environment and away from proprietary architectures. As a result, there has been a gradual transition away from Wang systems. Through the Excellence Through Automation (ETA) initiative, AID has provided many Agency organizations with MS-DOS based microcomputer systems. Telecommunications have been expanded to allow greater communication between offices world-wide, including world-wide electronic mail. AID has established a contract to purchase UNIX-based platforms and relational database management systems over the course of the next several years. Despite this progress, AID remains reliant on a number of older mainframe applications and a few Wang applications which require extensive maintenance resources and do not have the flexibility to continue to be viable in the long-term.

During the past year, AID has undertaken an ISP initiative with the objective of re-examining information systems needs across the Agency and defining the information systems necessary to meet those needs. AID utilized an Information Engineering methodology to define information needs and develop the Plan. At this point, an ISP has been published which defines eight functional business areas and twenty-seven candidate systems to be developed.

The Plan also established a preliminary data model and defined a tentative technical architecture as well as defining the projects necessary to establish the defined systems.

During the IR/PMR, GSA gave special attention to two major information systems initiatives. The first of these initiatives was the ISP, which has already been described. The second initiative examined was the Project Management Information System (PMIS). PMIS is an older mainframe application which is used by the Bureau for Europe (EUR) and the Bureau for Research and Development (R&D) for project management applications including project/program funding. Individual report findings will be illustrated using examples from these two initiatives, among others.

The GSA review team also examined a number of emerging areas in order to evaluate AID's progress and to gather information about trends in these areas in federal agencies. These areas included information management, development of corporate initiatives, program management methods and use of electronic data interchange.

AID is beginning to focus attention and place priority on managing information as a corporate resource. This is reflected in the development of new and revised policies and procedures, as well as in the information approach taken to modernizing AID's information systems. The strategic IRM plan includes information management issues, and there are executive level committees which focus on information management.

AID has developed an agencywide strategic vision for its information systems. AID's modernization program promotes open systems and the Agency has developed goals that define the corporate direction for the IRM program over the next five years. AID is using an Information Engineering (IE) methodology to develop integrated systems that will provide corporate information systems solutions.

AID is attempting to define a comprehensive program management methodology to guide them through modernization of their information systems. Work is underway to develop or adopt a project management methodology that is compatible with AID's culture and existing processes. AID values Trail Boss training for the primary managers of their major acquisitions, and gives serious consideration to completion of that training when selecting personnel to fill those positions.

At the present time, AID does not have any Electronic Data Interchange (EDI) initiatives underway. The agency plans, however, to identify possible EDI applications that may come out of the ISP process. AID planners are interested in eliminating redundant data entry and believe that EDI might be helpful in that effort. AID is looking, in particular, at procurement and accounting as areas that have a potential for EDI applications. Specific applications that have been considered include using EDI to generate letters of credit to banks under the agency's grants program, and the purchase of health insurance for students in AID's Foreign Student Participant Training program.

II. MAJOR FINDINGS AND RECOMMENDATIONS

FINDING: AID'S IRM ORGANIZATION HAS MADE A NUMBER OF ORGANIZATIONAL AND PROGRAM CHANGES TO BETTER SERVE THE INFORMATION NEEDS OF THE AGENCY. ADDITIONAL WORK IS NEEDED TO SOLIDIFY THESE CHANGES.

The IRM organization within AID is undergoing a transition. Four years ago, the IRM organization was predominantly concerned with operations such as computer room and telecommunications functions and with the purchase of equipment. Although components of the Office of Information Resources Management's (FA/IRM's) operational role continue to exist, FA/IRM's emphasis has shifted. More effort is now applied to providing consulting services to customers who are making day-to-day decisions regarding their information systems. With the evolution of the Information Systems Plan (ISP), and the move toward an open systems environment, FA/IRM plans to focus upon the consulting or facilitation role. This transition will continue for some time to come.

In the fall of 1992, formal delegations of responsibility for information resources management (IRM) were established from the Designated Senior Official (DSO) to the Senior IRM Official, the Director, FA/IRM. Two additional delegations were made to the Office of External Affairs for Privacy Act and Freedom of Information Act activities and the Office of Administrative Services for records management activities.

At the present time, AID policy and guidance for IRM activities is generally incomplete, out-of-date and not readily available to all organizations needing the information. Recognizing this, work is underway on a comprehensive handbook (Handbook 18), which includes guidance on roles and responsibilities, IRM security and planning for information resources, among a number of other topics. Two areas were noted by the review team as being absent from the new Handbook: guidance on preparing pre-acquisition studies (such as Requirements Analyses and Analyses of Alternatives) and information on how Delegations of Procurement Authority (DPAs) are to be tracked.

During this transition, the relationship of FA/IRM with its customers is also changing, and some aspects of these changes are causing confusion among FA/IRM's customers. In the past, FA/IRM funded and provided direct support to almost all information systems activities. FA/IRM continues to develop requirements for and support systems which are considered "core" or corporate systems. However, FA/IRM now frequently relies upon component organizations to fund activities supporting their unique needs and also to acquire support that will be needed for these systems through contracts maintained by FA/IRM. As part of the annual budget process, component organizations are expected to define their unique needs and include those as part of their budget submission. This guidance is included in the annual budget call memorandum. Unfortunately, several of the component organizations interviewed by the review team were not aware of this guidance and were

unsure where their responsibility for funding and planning for information technology begins and ends.

In addition, information regarding technical direction and decisions regarding standards are sometimes slow to be communicated to components or do not consistently reach the organizations that need the information. FA/IRM publishes a newsletter semi-annually and periodically conducts user meetings on particular issues. Interested parties cannot, however, always attend user meetings nor are they comprehensive enough to support technical planning by the components. Communication is a problem with the offices that are not regional bureaus. AID's missions are a priority, and, with limited resources, the regional bureaus receive first attention from FA/IRM in receiving assistance.

Particularly confusing to components are the respective roles of FA/IRM and the Center for Development Information and Evaluation (CDIE). CDIE is a part of the Directorate for Policy. CDIE has a number of functions which collect, maintain and disseminate information on AID projects and programs and the performance of those programs as well as numerous other types of demographic data. CDIE also has a research and reference service and provides economic and social data through an agencywide database. CDIE has established contracts which provide personnel to the component organizations to develop economic and social data. Because the economic and social data work involves computers and software, components are sometimes uncertain which work may be assigned to CDIE's contractors versus work that must be undertaken through FA/IRM.

RECOMMENDATION: AID SHOULD CONTINUE ITS EFFORTS TO SOLIDIFY THE IRM PROGRAM AND TO DEFINE THE ROLES OF ALL AID ORGANIZATIONS IN IRM ACTIVITIES.

AID should continue in its effort to develop and publish Handbook 18. AID should also consider adding two more sections to the Handbook; a chapter giving guidance on the pre-acquisition process including preparation of pre-acquisition studies and a section on responsibilities for monitoring of Delegations of Procurement Authority.

AID should take steps to clarify the expected role of component organizations in planning for, developing, maintaining and funding their information systems. This includes clarifying expectations for supplying resources either in-house or through contracts to maintain information systems.

In addition, FA/IRM should work with CDIE to provide guidance to components regarding use of contractor resources managed by both organizations. The limitations of contract support acquired under the CDIE contracts should be carefully clarified.

AID should examine its current methods of communicating with customers and take steps to enhance that communication. This is particularly important in the areas of standards, policies and plans, and technical direction arising from the ISP initiative. AID may elect to

expand its newsletters and increase the frequency of publication. Another alternative may be to establish Information Technology Committees in all or most of the components to ensure that information conveyed by the Client Analysts (CAs) consistently reaches its intended audience.

FINDING: AID IS HAMPERED IN ACHIEVING ITS IRM OBJECTIVES BY INADEQUATE STAFFING RESOURCES.

AID lacks sufficient personnel in a number of key IRM organizations to adequately carry out IRM programs and activities. Additionally, even when hiring is permitted, the delays caused by slow personnel actions and security clearances impact nearly every activity. Although contractors perform some functions by providing technical assistance and producing acquisition documentation, they cannot support all aspects of the mission.

AID is in the process of undertaking a major modernization of information systems. This work is proceeding with no more staff than was previously available for supporting ongoing maintenance. The projects which are identified through the ISP, the first step in the modernization process, may generate many IRM activities that are not yet identified but could require significant resources both in-house and from contractors. The lack of staff is probably the single greatest risk to the successful implementation of the ISP.

The most notable staff shortages are in the Customer Liaison and Support Division within the FA/IRM, impacting customer accessibility to technical expertise. The CA staffing levels have been decimated, particularly during the past year. CAs represent the primary contact between IRM and the customers. This function provides technical assistance on existing applications, seeks to address new and needed applications, and acts as an important interface between IRM and the customers understanding of the ISP. At this time, there are only three CAs to handle all the IRM customers within the Metropolitan Washington area as well as some of the missions overseas.. This critical shortage causes delays in the customers getting the technical response they want and also negatively impacts communication. Technical information is not getting out to the customers (especially the systems administrators) promptly, new applications are not being developed, and customer concerns are not being addressed promptly.

Due to insufficient technical personnel, technical assistance expected by the components from FA/IRM must often be provided within the customer organization. Customers have expressed concern that the IRM response to requests for technical assistance is delayed. Limited staff as well as limited skills are identified as the cause for delay. For example, PMIS does not provide flexibility in producing reports in different formats than those originally defined. Some of the customer organizations are surprised that FA/IRM cannot provide staffing to solve this problem. The organizations have had to use additional in-house resources or hire contractors themselves to provide the necessary technical support. When an IRM need is not identified as corporate in nature, the customer organizations have had to

find other means of getting the needed technical assistance. For example, the use of the Magellan software for a Management Information System (MIS) began within the Bureau for Latin America and the Caribbean. IRM has insufficient staff to support the use and development of a Magellan-based MIS in other bureaus who want to use it.

The customer organizations will use the most expedient technical assistance at hand. For example, CDIE has a contract that provides technical personnel in field locations to assist in collecting economic and social data. Since technical assistance is not readily available from IRM, the IRM customers may seek help from the CDIE contractors. At times, this help is not relative to the CDIE-owned contract, but may deal with a variety of personal computer issues. The CDIE contract is not under the authority of IRM, and providing technical assistance to other than the CDIE application may be in violation of the contract scope.

Lack of staff has an adverse impact on procurement activities. Although contractors can be used in preparing pre-acquisition documentation and statements of work, review and oversight of these documents should be performed by IRM personnel. When existing staff is used in contract management in addition to their other duties, acquisition activities are slowed.

RECOMMENDATION: AID SHOULD INCREASE STAFFING TO IRM ACTIVITIES TO ACHIEVE PROGRAM OBJECTIVES.

AID must increase staffing resources to IRM programs if information systems are to be developed, procured and maintained in an adequate manner. Existing systems must be maintained, and possibly interim systems may need to be developed or procured, before the ISP is fully implemented. AID should examine the requirements within each IRM activity and determine where additional staffing is critically needed. Additional contractor support in the technical expertise area may relieve one shortage. However, as an alternative, consideration should be given to allowing funds currently expended for contractor support to be converted to hiring additional full-time staff in those functions where it is most needed.

FINDING: OVERSIGHT OF IRM ACTIVITIES IN AID IS GENERALLY ADEQUATE. OVERSIGHT OF INFORMATION SYSTEMS PROJECTS COULD BE IMPROVED.

Oversight of IRM activities in AID is generally adequate, even though some of the processes are performed on an informal basis. There is a guide for conducting IRM Reviews and a draft handbook on acquiring IT resources. This draft handbook, describes the roles and responsibilities of IRM officials and establishes IRM policies and procedures.

Within AID, IT resources are acquired both for internal use and for use by foreign governments receiving AID assistance. This unique situation requires IT oversight responsibilities to be carefully defined. AID has determined that this responsibility shall

apply to those IT resources which are used by, and under the control of, the U.S. Government. Conducting this oversight are organizations under the authority of the DSO, sometimes in conjunction with the Office of the Inspector General.

FA/IRM is responsible for reviewing and approving all IT procurements acquired through the use of Operating Expense (OE) funds. Although the missions may acquire resources locally, FA/IRM provides the approval. All core applications, such as personnel systems and central accounting systems, however, are approved and managed by FA/IRM. The approval process includes a review of solicitation documentation, such as pre-acquisition studies as well as statements of work.

A yearly assessment of IRM programs is conducted. In the past, these assessments concentrated on only hardware and software. Currently, they involve all IRM program functions. A follow-up of findings is performed at the semi-annual IRM Review Program Meetings. FA/IRM is in the process of developing a standard methodology to use for these reviews.

On a quarterly basis, FA/IRM conducts oversight meetings on the Program Activity Plans (PAP). These plans contain key objectives which are listed in the strategic IRM plan initiatives. Progress against the objectives is discussed and related issues are resolved. Major information systems receive attention as part of this process, although there is no separate process for routine review of those systems. Review of the ISP initiative occurs not only through the PAP reviews, but also nearly daily through informal discussion of progress and issues. PMIS, however, is reviewed only through the PAP sessions. This is not a new initiative and may need modification to provide needed flexibility. Otherwise, PMIS oversight is provided by the CAs assigned to the customer organizations.

Monthly meetings are conducted to review contractor performance. The Contracting Officer, contractor, and the Contracting Officer's Technical Representative (COTR), (only one for all of AID), discuss performance and any other specific contracting issues. Additionally, the contracting officer reviews, nearly daily, the contract management of each IT contract. The Contract Management Reviews, conducted yearly, include all types of contracts, not just those involving IT resources.

Although there is a broad coverage of oversight within AID, there is no established life cycle management or project management methodology established. This methodology to oversee information systems projects can be an integrated part of program management which is not conducted through PAP reviews. The primary objective of LCM is to ensure that managers acquire systems within budgetary and time constraints and which are responsive to the organization's needs. Using LCM, managers develop detailed plans that identify the tasks to be accomplished, assign responsibilities, clarify the project's budget and schedule, and ensure that the organization's requirements are well-documented and technically sound. Pieces of this methodology may be part of the ongoing ISP, but ISP is a more global look at all projects together rather than dealing with activities within each project.

RECOMMENDATION: AID SHOULD ADOPT A PROCESS TO MANAGE INFORMATION SYSTEMS PROJECTS.

AID should implement methods for monitoring and managing projects, such as LCM. This oversight will stabilize a procedure to assure that schedules are met, issues handled, and adjustments are made, as necessary. LCM also ensures that structured reviews of key project products are conducted. This type of review helps ensure that project direction and requirements as well as cost and schedule remain on track.

FINDING: AID HAS TAKEN STEPS TOWARD ESTABLISHING A STRATEGIC IRM PLANNING PROGRAM. ADDITIONAL STEPS ARE NEEDED TO MAXIMIZE ITS UTILITY AS A MANAGEMENT TOOL.

AID's strategic IRM planning process continues to evolve with increased management attention to planning. In 1990, a consultant assisted in the development of AID's first strategic IRM plan. Since that time, AID has continued to improve and institutionalize its IRM planning process. In Fiscal Year 1992, AID developed an Information Systems Plan (ISP) based on the Information Engineering (IE) methodology. AID used the information developed in the ISP, which is the overall Agency model for information systems and technology, as input to the Fiscal Years 1992-1997 strategic IRM and tactical plans. The strategic plan addressed goals and tied the missions of the Agency to the initiatives. The tactical plan consisted of work plans for each initiative identified in the strategic plan. Currently, AID is developing its third strategic IRM plan for Fiscal Years 1993-1998 that has 18 initiatives. Three of the 18 initiatives are for major information systems (MIS). The MIS initiatives will provide for an integrated financial management system, a procurement system and an annual budgeting system. Also, the new plan includes ongoing IRM costs and activities which were not included in the prior plan.

FA/IRM has not consistently linked the strategic IRM planning process to the budget process. There is an effort underway to line up the planning process with the Annual Budget Submission (ABS). FA/IRM identified uncertainties in the budget process as one of the reasons the two processes had not been more clearly linked. The Plan for Fiscal Years 1992-1997 was produced in January 1992, when FA/IRM had some idea of the response to the budget request but had no official mark. The draft Fiscal Years 1993-1998 Plan was produced after the mark was received. In future years, FA/IRM hopes to completely coordinate the strategic IRM planning process with the Annual Budget Submission. FA/IRM has recently taken the following actions in an effort to link the processes: (1) FA/IRM included policies and procedures for preparing the FIP budget and linking acquisition and planning processes in its directives Handbook 18, (2) FA/IRM met with AID's Budget Office to discuss the need for AID to develop an agencywide IT budget that is linked to the Agency strategic IRM plan, and (3) FA/IRM identified eight specific recommendations at the meeting with the Budget Office on how AID could meet the requirements of OMB Circular A-130 regarding planning.

Integration of the strategic IRM planning process with the ISP process is crucial and is well on it way to completion. FA/IRM has included 12 initiatives in its Fiscal Year 1993 strategic IRM plan that reflect ISP generated initiatives. As the ISP and strategic IRM planning processes continue, AID will need to ensure that changes in ISP initiatives are reflected in the plan and also that adjustments in ISP priorities resulting from changes in agency direction or budgets are reflected in the strategic IRM plan.

Customers are unclear about the strategic planning process, its usefulness, and how it differs from the ISP. AID's planning methodology does not call for individual plans to be developed by Agency components. Bureaus and Missions provide informal input to the plan through their CAs, but formal input by component organizations is not required.

RECOMMENDATION: AID SHOULD CONTINUE ITS EFFORTS TO DEVELOP THE STRATEGIC IRM PLANNING PROGRAM.

To achieve its overall goal of establishing a robust and active information management program, AID should continue to develop the strategic IRM planning program. The strategic IRM plan should have a clear relationship with the budget and the ISP.

As the ISP and strategic plans are integrated, AID should consider methods for achieving consistent customer input and implement those methods. It is important for customers to feel ownership of the plan if it is to be useful as a management tool.

FINDING: AID IS TAKING STEPS TOWARD A COMPREHENSIVE MODERNIZATION OF INFORMATION SYSTEMS. ADDITIONAL MANAGEMENT ATTENTION IS NEEDED TO LIMIT RISKS TO THE PROGRAM.

AID is undertaking a challenging modernization effort that centers around an ISP program utilizing the IE methodology. The ISP includes fourteen initiatives of which eight are major business functions, 100 projects and 24 business systems. AID's goals are to provide worldwide connectivity among AID/W staff and overseas missions, develop corporate systems, and develop an information architecture for use by the staff to address current and future information management challenges.

The technical architecture chosen for the modernization effort focuses upon a relational database management system using a UNIX-based platform. Modernization initiatives already underway include the Excellence Through Automation (ETA) program that provides the primary hardware platform for the ISP. The ETA program will supply all the LANs and Personal Computers (PCs) over the entire five years of the modernization effort. This effort is particularly important in that it allows AID to move away from their previous proprietary environment to a more flexible systems environment. The majority of AID missions are already on a network with the remainder of the equipment to be bought on an as-needed basis.

AID has two accounting systems, the Financial Accounting and Control System (FACS) for AID/W and the Mission Accounting and Control System (MACS) for the missions. Recently, AID introduced a new version of MACS that runs on a UNIX platform. This migration is part of the move towards an open systems environment. FACS is in the process of being converted to the AID/W Accounting and Control System (AWACS), which is a UNIX based system. AWACS will marry the features of both systems. Although AID has not identified the converted MACS system as an initiative within the ISP, it is viewed as reducing the risk of using proprietary systems and complementary to the ISP. This system is in the process of implementation with the anticipation that eight sites will be converted this year.

The Procurement function is receiving priority for modernization using the IE approach. Business Area Analysis (BAA) completion is scheduled for August 1993. This system will replace the Contract Information Management System (CIMS). The procurement BAA will pertain to all procurements, not just those concerning FIP resources. AID's plan is that all subsequent applications that will be developed for the Agency will be defined through the BAA process.

As with all modernization initiatives, AID's modernization program is not without risks. The GSA review team identified three areas requiring special management attention: resources to support the modernization, involvement of customer organizations, and continued development and maintenance of existing systems.

Resources to apply to the modernization are limited and the time required to implement initiatives is directly affected by its availability. For example, staffing is a critical issue in implementing the modernization program. FA/IRM has lost 14 direct hire employees to other agencies over the last 15 months. Direct hires will be a necessary part of the analysis and design portions of the ISP and the IE process because important institutional knowledge resides in the direct hires rather than with the contractors that support the ISP. In the meantime, FA/IRM and customer organizations are trying to carry out a major modernization using the same people who already have full-time jobs maintaining the existing base of systems.

AID needs to build and maintain extensive customer organization involvement and support for its modernization program in order to achieve buy-in, resources and evolutionary changes. Customer involvement in the ISP process has been limited to the ISP Steering Committee, the Information Management Committee (IMC) and the BAA teams. The IMC committee is composed of 10 senior executives. The Designated Senior Official (DSO) serves as chairman of the committee. The IMC's responsibilities include providing agencywide executive oversight of IRM functions, defining the Agency's corporate information resources requirements and priorities, and serving as a clearinghouse and approval authority for the ISP. The ISP committee is composed of deputy bureau chiefs and FA/IRM division directors. In addition, ad hoc reference groups composed of individuals from various Bureaus/Offices are included on the committee. The Senior Information

Resources Management Official (SIRMO) has promoted the ISP program around the agency, but the information has not reached lower level employees. The attempt to build overseas support for the ISP through mission visits was curtailed through lack of funding after only five missions were visited.

Through participation in the development of the ISP and in the BAAs, some customer organizations have become aware that the focus of change is not only information systems, but include their business processes. At the same time, there is a sense that the FA/IRM "owns" the ISP process and a growing sentiment that the IRM organization should not be in the business of redesigning the work of their customers. Clearly, the modernization process needs to more directly focus on customers as owners of the systems and on modernization as an agencywide process.

The magnitude of the modernization effort leaves some CAs unaware of the details of the corporate systems that make up the ISP. Presently, all CAs are not knowledgeable about what the ISP includes and how it relates to the systems they are implementing for their customers. CAs are developing requirements for existing systems on an ad-hoc basis with their customers. The CAs must be informed and educated about the modernization activities so that customer requirements may be incorporated into the planning for the systems making up the ISP. Their knowledge will help eliminate redundancy and duplication of effort as they identify and solve system problems.

Also, there need to be contingency plans to ensure that customer requirements are met while the new systems are being developed. Contingency plans have not been developed for the possibility that delays in the modernization program may cause some existing systems to continue beyond their expected life.

While the FA/IRM has focused a great deal of attention on the ISP and resulting systems, some existing systems are not being supported due to lack of resources. For example, PMIS is a mainframe application that was developed by contractors in 1987 based on a pre-existing budget tracking system. Seven bureaus are currently using the system and three others are waiting for the mainframe capacity to increase. Since its implementation, the system has not had a fully operational year when all the system problems were worked out. Issues include lack of funding for transition to a UNIX based environment, lack of essential data to meet the needs of the customers, recurring problems that were not properly corrected, difficulty in making software changes, and the transition to a new maintenance contractor. From a customer's perspective, the PMIS is viewed as not user friendly and not meeting the needs of customer organizations for advanced reporting capability. The base of support for PMIS within the EUR and R&D is being lost, because of the belief that PMIS is not receiving attention from FA/IRM. There is also the anticipation about the planned implementation this year of AWACS which will provide some of the same functions as PMIS. In the meantime, the impact of this is that users are duplicating systems by finding other micro-based solutions to their requirements for PMIS-type data. The customers also are finding other micro-based systems to supplement PMIS rather than using the mainframe application.

RECOMMENDATION: AID SHOULD TAKE STEPS TO ENSURE THAT THE MODERNIZATION PROGRAM HAS SUSTAINED CUSTOMER BUY-IN, THAT IT RECEIVES SUFFICIENT RESOURCES TO MEET OBJECTIVES AND THAT IT CONSIDERS EVOLUTIONARY CHANGES TO CURRENT SYSTEMS ON AN ONGOING BASIS.

To meet its objectives, AID must continue the effort to ensure that sufficient resources are provided to the modernization effort. This will require that management attention be focused on funding and managing information resources to limit the risks to the program. In addition, customer organizations will need resources to fulfill their role relative to the new systems.

FA/IRM should ensure that CAs are completely familiar with and understand the ISP. CAs should be able to provide feedback to the ISP process regarding changes in current systems which may have an impact upon requirements for future systems. Continuous feedback will keep management aware of changes to be considered in ongoing ISP related systems. This approach will help the analyst to build support for and promote the ISP to the customers, as they assist them in the development of requirements for existing and new systems.

AID should emphasize customer involvement in the IE process. Customers need to be "owners" to the extent possible of the decision-making process regarding their mission activities and the information systems which support them. They also need to be given information regarding what their investment will need to be in terms of people, time and budget dollars.

AID should also consider finding ways to further publicize the ISP process and educate the customer organizations as to what to expect from the process and the potential value of the modernization effort in their organizations.

FINDING: AID HAS EFFECTIVE PROCUREMENT AND CONTRACTING PROCESSES FOR INFORMATION TECHNOLOGY (IT) RESOURCES. ACQUISITION PLANNING FOR IT PROCUREMENTS COULD BE IMPROVED.

AID's procurement and contracting practices for IT resources are generally effective. Positive aspects include core contracts for IT support services, centralized IT resources procurement, and constructive working relationships between contracting personnel and IRM customers. Acquisition planning for IT procurements, however, could be improved.

AID has consolidated requirements for IT support services through the use of "core contracts." These centralized contracts provide efficient and economic mechanisms through which FA/IRM can provide value-added service to its customers. The core contracts are used for information systems analysis, development and maintenance; software and hardware installation and technical support; computer facilities management; procurement assistance;

telecommunications design and installation; information engineering; data administration and computer security. Customers can simply complete a task order to the appropriate core contract, subject to the approval of contracting and IRM personnel. This replaces the necessity of customers' executing multiple procurements in order to meet their requirements, and results in considerable savings in time and cost. The establishment of core contracts is a significant advantage in an agency such as AID, where staffing resources are limited.

AID's contracts for IT resources are linked to its overall modernization efforts. The core contracts play an integral role in AID's implementation of IT modernization initiatives such as the ETA program and the Agency's migration to an open systems environment. AID takes advantage of contract clauses for Engineering Change Proposals (ECP) and quarterly price adjustment in order to reduce costs and to ensure the best value for its customers.

Procurement of IRM resources is centralized in the CIMS Branch of the Office of Procurement (OP). The Contracting Officer (CO) and contract negotiator (i.e., contracting specialist) work closely with IRM customers and are involved in the procurement process from definition of requirements to contract close-out.

Contract administration of IT procurements valued over $1 million is monitored through monthly meetings with the contractor, the Office of Procurement, and the COTR. AID's contract files contained minutes from these monthly meetings. AID has experienced few protests regarding its IT procurements. Although the Office of General Counsel (OGC) does not routinely review acquisitions for IT resources, GSA found evidence in the contract files that indicated OGC's participation in the procurement process.

AID does not have an annual acquisition plan for IT resources. In addition, individual acquisition plans for IT procurements are not used on a consistent basis, as demonstrated by the cases reviewed by GSA. Acquisition planning for IT resources procurements is conducted, informally, through quarterly meetings between the CO and the Chief of Planning, Management and Acquisition (IRM).

RECOMMENDATION: AID SHOULD CONSIDER ENHANCING ITS ACQUISITION PLANNING FOR IT RESOURCES PROCUREMENTS.

AID should continue its successful management of IT resources procurement and contracting processes. The Agency should also consider formalizing the acquisition planning process for IT resources through the publication of minutes from the IRM/OP planning meetings. AID should ensure that each IT procurement has an individual acquisition plan that includes acquisition strategy. In addition, AID should consider developing an annual acquisition plan for IT resources procurements. The need for such a plan will become more apparent as the ISP projects begin to generate procurements.

FINDING: AID'S ACQUISITIONS OF INFORMATION TECHNOLOGY RESOURCES ARE GENERALLY WELL-MANAGED; HOWEVER, THERE ARE AREAS FOR IMPROVEMENT.

Overall, GSA found that AID adequately manages its delegations of procurement authority (DPAs) from GSA. However, opportunities for improvement exist, particularly in regard to pre-acquisition documentation.

As part of the IR/PMR, GSA selected and reviewed case file documentation for five acquisitions that received delegations of procurement authority (DPAs) from GSA. These acquisitions are summarized in Appendix B.

Based on evidence found in the case files, AID has demonstrated an ability to responsibly manage its IT acquisitions. For each DPA awarded, a Case Summary sheet is maintained, which is updated periodically and employed as a tickler system to track GSA's six-month reporting requirement. Other conditions of AID's DPAs are monitored on a more informal basis, through internal staff discussions. In one case, a contract was awarded for approximately two percent greater than the amount provided in the DPA. When the GSA review team notified AID concerning this discrepancy, AID acknowledged the oversight and took immediate steps to amend the DPA for the necessary amount.

AID's communication with the vendor community prior to releasing the Request for Proposal (RFP), while sufficient, could be enhanced. It appears that Requests for Comments (RFCs) and Requests for Information (RFIs) have not been used in the IT acquisition process, nor do officials in the Office of Procurement consider them necessary. Evidence in the case files demonstrated AID's use of vehicles such as Commerce Business Daily (CBD) advertisements as well as market surveys, a Bidder's conference, and a sources sought CBD notice. Vendor's questions regarding RFPs were usually resolved as amendments to the solicitations. Vendor interest in major acquisitions was high, as indicated by numerous requests for RFPs, and acquisitions have not been characterized by a limited number of offerors or by contracts awarded to incumbents.

Because of its small size and centralized IRM procurement structure, AID has relied primarily on informal mechanisms for managing its DPAs. Frequent meetings and internal communications between the Office of Procurement and IRM provide the means by which issues concerning major IT acquisitions, including the development of pre-acquisition documentation, are addressed. Accountability for DPAs and APRs has not been clearly defined.

RECOMMENDATION: AID SHOULD CLARIFY ACCOUNTABILITY FOR AGENCY PROCUREMENT REQUESTS AND DELEGATIONS OF PROCUREMENT AUTHORITY. AID SHOULD ALSO CONSIDER EXPANDING COMMUNICATION WITH THE VENDOR COMMUNITY.

While GSA acknowledges that AID has, to date, adequately managed its DPAs for IT resources, specific actions are recommended that could further improve IT acquisition management. Accountability for DPAs and APRs should be clearly defined, and responsibilities for functions such as monitoring DPA conditions should be formalized.

AID should consider additional opportunities for communication with the vendor community before releasing important RFPs involving IT resource requirements. Vehicles such as RFIs and RFCs could target any potential problems or reveal alternative solutions early in the procurement process.

FINDING: AID IS TAKING STEPS TOWARD DEVELOPMENT OF A PROGRAM SUPPORTING INFORMATION SYSTEMS ACCESSIBILITY FOR END-USERS WITH DISABILITIES; HOWEVER, MORE WORK IS NEEDED.

AID has taken some initial steps in developing a program to provide information technology (IT) accessibility to end-users with disabilities. A coordinator for IT accessibility has been appointed, and AID has devoted a chapter of its draft Handbook 18 to this subject. In addition, about 10 months ago AID began to include language on requirements for IT accessibility in its contracts, where appropriate. For example, the Government Micro Resources, Inc. contract for providing hardware, software, and services to AID offices includes such language. The contract incorporates clauses allowing customers to order specialized equipment and software for users with disabilities.

At the present time, the IT accessibility program at AID remains largely informal. Little is known about the size and composition of the disabled population within the agency, and no agencywide notice has been issued naming the coordinator. The existence of the program has not been publicized, and there has been no dissemination of information throughout AID on the availability of services in this area.

The needs of disabled persons employed by AID are served through CAs assigned to the Customer Liaison and Support Division, and each case is handled individually as it is identified.

RECOMMENDATION: AID SHOULD FORMALIZE ITS COMPUTER ACCESSIBILITY PROGRAM AND PUBLICIZE IT.

AID should formally initiate a program for meeting the needs of disabled end-users for computer accessibility. The program should include the announcement of a program

coordinator and agencywide dissemination of information on services provided by the program. Chapter B-18 of IRM Handbook 18 should be finalized and published. AID should also conduct a survey to determine the size and composition of its population of IT users with disabilities.

FINDING: AID HAS A STRONG RECORDS MANAGEMENT PROGRAM WHICH IS MOVING FORWARD AGGRESSIVELY IN ESTABLISHING STANDARDS FOR ELECTRONIC RECORDKEEPING.

AID's records management organization has taken positive steps toward treating information as a resource to be managed. The Agency's Records Management Branch appears to be particularly strong in the area of electronic recordkeeping. This Branch has also established an effective network of records liaison officers throughout the agency.

AID has formed a "Records Management Working Group" with representatives from the National Archives and Records Administration (NARA) and a number of AID organizations. This Working Group has developed a position description for Records Management Liaison Officers and formulated an electronic recordkeeping initiative for inclusion in the AID strategic IRM plan. Another initiative growing out of the working group has been the application of draft governmentwide standards for electronic recordkeeping (developed by NARA) in a pilot project at the AID mission in the Dominican Republic.

As part of another pilot project, AID has put the project files of one of its bureaus on CD/ROM. These files are classified "permanent" and AID is awaiting a decision from NARA on whether CD/ROM is an acceptable medium for permanent records.

The Records Management Branch also supports and participates in the ISP process. The Branch provides input to the ISP through its records inventories. These inventories are to be used in conducting business area analyses throughout AID.

Vital records have been identified at all overseas locations. Current inventories are kept of all these records. Copies of all vital records overseas are kept, for security purposes, in off-site depositories located at alternate AID sites. Vital records at headquarters offices have been identified, but off-site storage facilities have not yet been established for all of them.

Although personnel reductions have affected the records management function as adversely as it has other agency functions, AID nevertheless has been able to continue with its records management reviews of overseas sites and local Washington area offices. These reviews result in formal reports with recommendations for improvement. The Records Management Branch follows up on the implementation of these recommendations on an annual basis.

RECOMMENDATION: THERE IS NO SPECIFIC RECOMMENDATION ASSOCIATED WITH THIS FINDING.

APPENDIX A

LIST OF ACRONYMS

ABS	Annual Budget Submission
AETA	American Electronic Time and Attendance
ADP	Automatic Data Processing
APR	Agency Procurement Request
AWACS	AID Washington Accounting and Control System
BAA	Business Area Analysis
CBD	Commerce Business Daily
CDIE	Center for Development Information and Evaluation
CD/ROM	Compact Disk/Read Only Memory
COTR	Contracting Officer's Technical Representative
CFO	Chief Financial Officer
CIMS	Contract Information Management System
DBMS	Data Base Management System
DPA	Delegation of Procurement
DSO	Designated Senior Official
EDI	Electronic Data Interchange
ERA	Executive Resource Associates, Inc.
ETA	Excellence Through Automation
FACS	Financial Accounting and Control System
FIP	Federal Information Processing
FIRMR	Federal Information Resources Management Regulations
FMFIA	Federal Managers Financial Integrity Act
FTS	Federal Telecommunications System
GAO	Government Accounting Office
GMR	Government Micro Resources, Inc.
GSA	General Services Administration
GSBCA	General Services Board of Contract Appeals
IE	Information Engineering
IG	Inspector General
IMC	Information Management Committee
IRM	Information Resources Management
IRMAC	IRM Advisory Council
IRMS	Information Resources Management Service
IR/PMR	Information Resources Procurement and Management Review
ISP	Information Systems Plan
ISPSC	Information Systems Plan Steering Committee
IT	Information Technology
ITC	Information Technology Committee
LAIS	Loan Accounting Information System

LAN	Local Area Network
LCM	Life Cycle Management
MACS	Mission Accounting and Control System
MIS	Major Information System
NAPS	New American Payroll System
NARA	National Archives and Records Administration
OA	Office Automation
OE	Operating Expenses
OIG	Office of Inspector General
OMB	Office of Management and Budget
PAP	Program Activity Plans
PC	Personal Computer
PCC	Pinkerton Computer Consultants, Inc.
PMIS	Project Management Information System
PPAP	Procurement Policy Advisory Panel
PTIS	Participant Training Information System
RAD	Rapid Application Development
RAMPS	Revised Automated Manpower and Personnel System
RDBMS	Relational Data Base Management System
SIRMO	Senior Information Resources Management Official

APPENDIX B

CASE SUMMARIES

DATA BASE MANAGEMENT SYSTEM (DBMS) TECHNOLOGY UPGRADE (KMA-91-0222)

On March 28, 1991, AID submitted an APR to GSA to acquire commercial, off-the-shelf, relational data base management system (RDBMS) products and related software support services. This request was one of several in a planned effort to modernize AID's office automation resources and to move away from proprietary equipment (see also KMA-92-0046 and KMA-92-0211). Prior to submitting the APR, AID had placed an advertisement in the Commerce Business Daily (CBD), requesting information concerning possible sources for RDBMS packages. GSA granted a DPA (KMA-91-0222) to AID on May 1, 1991. In response to a CBD notice published May 10, 1990, AID issued the solicitation to 473 offerors on June 21, 1991, with four offerors responding with proposals.

During the evaluation process, an issue was raised regarding the Walsh-Healey representations of two of the offerors. Based on an opinion by AID's General Counsel, two of the offerors were disqualified as nonresponsive. However, an agency-level protest was lodged by one of the offerors, stating that the matter should be referred to the Small Business Association (SBA) Regional Office as required by the Federal Acquisition Regulation (FAR). On June 29, 1992, AID received a letter from the SBA, determining that the Walsh-Healey Public Contracts Act did not apply to this solicitation. Based on this finding and the results of the four-step evaluation process, AID awarded an indefinite delivery, indefinite quantity contract (IDIQ) to Information Management Consultants (IMC) for a period of performance of five years with five one-year options and a total estimated contract value of $24 million.

The pre-acquisition documentation certified as completed in the APR was not available. An undated, draft document labeled "Requirements Analysis and Analysis of Alternatives," which was found in the case files, was clearly inadequate and did not provide sufficient information for management decision-making. The Statement of Work, however, accurately described the customers' requirements in non-restrictive, substantive terms.

There was no indication in the case files as to the reason for the year delay between the CBD announcement of the RFP and the issuance of the solicitation. The procurement process was further delayed due to the agency-level protest by one of the offerors. However, the overall procurement was managed successfully. The four-step evaluation process, which included an perational Capability Demonstration (OCB) as well a life-cycle cost evaluation, is especially noteworthy.

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ADPE PROCUREMENT (KMA-92-0211)

On February 27, 1992, AID submitted an APR to GSA to acquire personal computers and associated software, laser printers, file server hardware and software and UNIX hardware and operating systems. A DPA was granted to AID on March 27, 1992. The request was one of several in a planned effort to modernize AID's office automation resources and to move away from proprietary equipment (see also KMA-92-0046 and KMA-91-0222).

A firm-fixed price, Indefinite Quantity Contract (IQC) was awarded to Government Micro Resources, Inc. (GMR) on September 8, 1992. The contractor was one of several 8(a) firms, selected through a market survey, which presented its technical and corporate qualifications before an internal "ADPE Procurement Team" comprised of representatives from AID's procurement and IRM offices. The total estimated contract cost is $29,700,000 for an estimated contract life of one base year with two one-year options.

The pre-acquisition documentation certified as completed in the APR was available, although only the Requirements Analysis appeared to be in final form. For the most part, the documents appear comprehensive and follow FIRMR guidelines. The Analysis of Alternatives, however, does not include a Cost/Benefit analysis concerning the most advantageous solution.

The contract includes clauses for downward price adjustments and Engineering Change Proposals; the first modification to the contract adds a clause concerning accessibility requirements for disabled end-users. The contract files were complete, and the acquisition decision-making process was well-documented.

APPLICATION SYSTEMS SUPPORT SERVICES (KMA-92-0046)

On December 26, 1991, GSA granted a DPA to AID to acquire IT support services for applications software in the Washington, DC area and AID missions around the world. This action replaces an existing contract with Pinkerton Computer Consultants (PCC). In response to a CBD notice published January 10, 1992, AID issued the solicitation to 170 offerors on March 20, 1992. Eight offerors, including the incumbent, responded with proposals.

On September 28, 1992, a fixed-price, level-of-effort contract was awarded to ManTech Services Corporation for a total estimated contract cost of $21,470,041 - approximately two percent greater than the dollar value of the DPA. The period of performance is for two base years with three one-year options. Subsequent to award, AID's security clearance process caused delays in the transition from the incumbent to the new contractor, resulting in a sole-source extension to the PCC contract (see KMA-93-0051).

The pre-acquisition documentation included a comprehensive Requirements Analysis and a cursory Analysis of Alternatives that was not commensurate with the magnitude of the procurement. The contract files demonstrated an on-going dialogue between the Office of Procurement and IRM throughout the procurement process. The procurement reflected a fully competitive strategy that did not favor the incumbent, who had 15 years experience with AID.

TECHNICAL AUTOMATION SUPPORT SERVICES (KMA-93-0051)

On June 22, 1987, AID awarded a level-of-effort contract to Pinkerton Computer Consultants, Inc. (PCC) to provide technical automation support services to AID/Washington as well as overseas AID missions and offices. This contract did not receive a delegation of procurement authority (DPA) from GSA because, at that time, no DPA for support services was required. On June 30, 1992, the contract was extended by six months to December 31, 1992. AID recompeted this requirement (see KMA-92-0046 for further information), resulting in an award to a new contractor. However, due to unanticipated delays in awarding the contract and in obtaining security clearances for contractor personnel, AID was unable to implement the transition process from the incumbent contractor as originally scheduled.

On December 16, 1992, GSA granted a DPA to AID for a six-month, sole-source extension to the PCC contract, estimated at $1.5 million. The extension was required in order to keep the Agency's mission-critical financial, budgeting, payroll, contracting and project management systems operational during the transition from the incumbent to the new contractor.

The pre-acquisition documentation certified as completed in the APR was available, including the Justification for Other Than Full and Open Competition (JOFOC), and appeared commensurate with the size and complexity of the procurement. The case files indicated that the conditions of the DPA, such as the required status reports, had been met.

MISSION AUTOMATION PROJECT (KMA-88-0052, KMA-90-0259 and KMA-90-0259(A))

Prior to 1987, AID utilized the Department of State's (DOS) contract with Wang to procure ADPE. The GSBCA protest of DOS's recompetition of the Wang contract left AID without an ADPE procurement source. On November 11, 1987, AID submitted an APR to GSA to obtain authority to procure ADPE until the protest was resolved. To allow sufficient time for resolution of the protest, the APR was for a three-year period.

AID had a pre-existing 8(a) contract with Executive Resource Associates, Inc. (ERA) to provide automation facilities management and technical support services. The basic award included an equipment element of $1,966,934. After GSA granted the DPA on December 8,

1987, AID determined that it was in the best interest of the agency to add the proposed ADPE procurement services to the ERA contract. ERA's contract was modified in April, 1988 to add the procurement service element of $18 million, for a total value of $19,666,934.

On May 15, 1990, AID submitted an APR to GSA to amend DPA KMA-88-0052. The APR requested increasing the DPA threshold by $9 million and the contract life by two years. The proposed increase in ADPE procurement was within the scope and level of effort of the original contract and the DPA. This APR was referred to as KMA-90-0259. Based on discussions between GSA and AID, the Agency sent a revised APR on June 21, 1990 to substitute for the previous APR. Thus, KMA-90-0259 became KMA-90-0259(A).

The amended DPA (KMA-90-0259(A)) increased the threshold from $19,666,934 to $28,966,934 and the systems life from three to five years. As a condition of the DPA, AID was required to perform a study comparing the prices offered by AID's existing contractor with those offered on the GSA Schedule and through the Department of Defense (DOD) Desktop III contract. The AID contract files demonstrated that the Agency fulfilled this condition.

Pre-acquisition studies as certified in the APR were available for review. The contractor-performed studies included an extremely thorough Requirements Analysis and an Analysis of Alternatives that focused on acquisition strategies, rather than feasible solutions to implementing the requirement. A potential problem exists since the ERA contract expires in early 1994 and GSA had stated in DPA KMA-90-0259(A) that it would not be amenable to further amending AID's existing contract with ERA. Because of the long-standing relationship between ERA and AID, the transition process may be lengthy if the recompeted contract is not awarded to the incumbent, similar to the situation that occurred with the transition from PCC to ManTech (see KMA-92-0046 for further detail).

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APPENDIX C

RESPONSE BY THE AGENCY FOR INTERNATIONAL DEVELOPMENT

July 30, 1993

Associate
Administrator
for Finance and
Administration

Mr. Francis A. McDonough
Assistant Commissioner for Federal
Information Resources Management
General Services Administration, (IRMS)
18th & F Streets, NW, Room 2239
Washington, DC 20405

Dear Mr. McDonough:

As we discussed at our very first meeting, I have been looking forward to GSA's first-ever review of our agency's IRM program. At the "kick-off" meeting for this review, I asked your people to take a "hard look" at our program, with special emphasis on our Information Systems Plan (ISP) -- including an assessment of the Agency's ability to implement the plan. Thank you for assigning such a top-quality team. I appreciate their extra effort. We intend to fully utilize their work.

We have reviewed the draft report entitled "Information Resources Procurement and Management Review" and agree with the recommendations in it.

Over the last few years, we have made a major effort to implement an IRM program in A.I.D. that is both in line with federal regulations and responsive to our Agency's mission and internal and external customers.

As the A.I.D. IRM program has evolved, we have made considerable progress in some areas, although much remains to be done. That is why I welcomed your review team's perspective on our IRM program. They helped us identify priority areas needing attention. This will help us focus our limited resources. The team members conducted themselves professionally, and we were pleased both with the quality of their work and the constructive advice they provided. We will benefit from the lessons your people have learned from reviewing IRM programs in other agencies.

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Many of the recommendations are in critical areas where we should begin work in the near future. I have instructed my IRM staff to develop an action plan to implement these recommendations.

One factor which complicates development of an action plan is uncertainty about resources for our IRM program. This will make drafting precise action plans for a few of the recommendations more difficult.

In reviewing the draft report, we found no major errors of fact or interpretation. We identified a few minor factual corrections which should be made, and we have communicated these to your staff.

Thanks to you and your staff for providing us an objective view of how we are doing -- and sound advice on how we can improve. Much appreciated!

Sincerely,

R A Ames

Richard A. Ames

APPENDIX D

GENERAL SERVICES ADMINISTRATION REMARKS

The General Services Administration (GSA) has received and studied both official and unofficial comments from the Agency for International Development (AID) concerning the Information Resources Procurement and Management Review (IR/PMR) draft report. The editorial changes provided in AID's unofficial comments have been incorporated into the final report where appropriate without further comment.

In AID's official response, the Agency noted that actions were planned or underway to implement the recommendations contained in the draft report. GSA looks forward to receiving additional information on these items in AID's subsequent Action Plan and Status Reports, and in working with AID as it continues to improve its Information Resources Management (IRM) program. We also appreciate the positive remarks concerning AID's experience with the IR/PMR and hope that the report will serve as a useful management tool.

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