Audit Report

DEVELOPMENT AND IMPLEMENTATION OF WIDE AREA WORKFLOW-RECEIPTS AND ACCEPTANCE

Report No. D-2002-018 November 28, 2001

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Acronyms

CIO	Chief Information Officer
DEBPO	Defense Electronic Business Program Office
DFAS	Defense Finance and Accounting Service
DRID	Defense Reform Initiative Directive
EB	Electronic Business
EC	Electronic Commerce
MOA	Memorandum of Agreement
OMB	Office of Management and Budget
WAWF-RA	Wide Area Workflow–Receipts and Acceptance

INSPECTOR GENERAL
DEPARTMENT OF DEFENSE
400 ARMY NAVY DRIVE
ARLINGTON, VIRGINIA 22202-4704

November 28, 2001

MEMORANDUM FOR ASSISTANT SECRETARY OF DEFENSE (COMMAND, CONTROL, COMMUNICATIONS, AND INTELLIGENCE)

SUBJECT: Audit Report on Development and Implementation of Wide Area Workflow-Receipts and Acceptance (Report No. D-2002-018)

We are providing this report for review and comment. We considered management comments on a draft of this report when preparing the final report.

DoD Directive 7650.3 requires that all recommendations be resolved promptly. Recommendations 1., 2.a., 2.d., and 2.f. remain unresolved. Therefore, we request that the Chief Information Officer, DoD, Assistant Secretary of Defense for Command, Control, Communications, and Intelligence respond to Recommendation 1., and provide additional comments to Recommendations 2.a., 2.d., and 2.f. by January 28, 2002.

We appreciate the courtesies extended to the audit staff. Questions on the audit should be directed to Ms. Kathryn M. Truex at (703) 604-9139 (DSN 664-9139) (kmtruex@dodig.osd.mil) or Ms. Jacqueline L. Wicecarver at (703) 604-9144 (DSN 664-9144) (jwicecarver@dodig.osd.mil). See Appendix B for the report distribution. Audit team members are listed inside the back cover.

David K. Steensma

David K. Steensma
Acting Assistant Inspector General
for Auditing

Office of the Inspector General, DoD

Report No. D-2002-018 **November 28, 2001**
(Project No. D2001-FG-0039)

Development and Implementation of Wide Area Workflow-Receipts and Acceptance

Executive Summary

Introduction. The Under Secretary of Defense (Comptroller) issued Management Reform Memorandum No. 2 on May 21, 1997, which directed that DoD move to a totally paper-free contract writing, administration, finance, and auditing process by January 1, 2000. Although numerous actions were initiated, DoD has not yet reached this goal. One of the initiatives was the development of the Wide Area Workflow-Receipts and Acceptance (WAWF-RA) application, which was to provide paperless contracting, receiving, and invoicing DoD-wide. The WAWF-RA allows vendors to submit their invoices and receiving reports electronically to DoD and route them through a workflow system for inspection, acceptance, receiving, and payment.

Objectives. The overall objective of the audit was to evaluate the adequacy of the development and implementation of the WAWF-RA application. An additional objective was to determine whether the WAWF-RA application was compliant with national and DoD security requirements. Because of the status of the WAWF-RA development and implementation, we did not review compliance with security requirements. We also assessed the management control program as it relates to the objective of the audit.

Results. After 3 years and $8.4 million expended, the Defense Electronic Business Program Office (DEBPO), formerly called the Joint Electronic Commerce Program Office, initiative of the WAWF-RA has realized limited acceptance and use. As a result, WAWF-RA has not been effective in providing a DoD-wide solution for receipts and acceptance in the end-to-end procurement process. Also, WAWF-RA has not yet achieved the goals of the FY 2001 Authorization Act to implement a means for electronic claims for payment processing by October 2002. See the Finding section of the report for details on the audit and Appendix A for details of the review on the management control program.

Summary of Recommendations. We recommend the DoD Chief Information Officer determine whether WAWF-RA will perform the functions the Military Departments require by October 1, 2002. Also, the DoD Chief Information Officer, along with the Chief Information Officers of the Army, Navy, and Air Force, should require the Military Departments to adopt and implement the WAWF-RA if determined that the application will satisfy DoD needs for receipts and acceptance. In addition, we recommend the DoD Chief Information Officer direct the DEBPO to determine and

document whether the material inspection and receiving report was re-engineered. The DEBPO must also develop an acquisition strategy; prepare a memorandum of agreement with DoD Components; perform and document an analysis of alternatives and an economic analysis; and develop an independent Management Control Program.

Management Comments. The Director, Electronic Business and Knowledge Management did not address whether WAWF-RA would perform the functions the Military Departments require by October 1, 2002. The Director, Electronic Business and Knowledge Management concurred with all other recommendations. Specifically, a Joint Requirements Board for WAWF-RA allows for an ongoing re-engineering of the material inspection and receiving report process as new versions of the software are released. DEBPO will formally document the WAWF-RA Acquisition Plan by December 31, 2001, and complete the memorandums of agreement with Military Departments and Defense agencies by June 30, 2002. DEBPO will complete an analysis of alternatives as future versions of WAWF-RA are developed and will conduct an economic analysis to be used as a baseline in evaluating technologies for future releases by June 30, 2002. Finally, DEBPO has put in place a configuration management system and a monthly structured project review process has been refined to carefully scrutinize WAWF-RA cost, schedule, and performance. A discussion of the management comments is in the Finding section of the report, and the complete text is in the Management Comments section.

Audit Response. The Director, Electronic Business and Knowledge Management did not address or determine whether WAWF-RA would perform the functions the Military Departments require. Further, the Director's comments were not fully responsive on recommendations that involved determining whether the material inspection and receiving report process was re-engineered, performing an analysis of alternatives, or developing an independent Management Control program. Therefore, we request that the DoD Chief Information Officer provide additional comments by January 28, 2002.

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Background

The Under Secretary of Defense (Comptroller) issued Management Reform Memorandum No. 2 on May 21, 1997, which directed that DoD move to a totally paper-free contract writing, administration, finance, and auditing process by January 1, 2000. Although numerous actions were initiated, DoD has not yet achieved this goal. One of the initiatives was the development of the Wide Area Workflow-Receipts and Acceptance (WAWF-RA) application, which was to provide paperless contracting, receiving, and invoicing DoD-wide. The WAWF-RA allows vendors to submit their invoices and receiving reports electronically to DoD and route them through a workflow system for inspection, acceptance, receiving, and payment.

DoD Fiscal Year 2001 Authorization Act. Section 1008 of the DoD Fiscal Year 2001 Authorization Act entitled "Electronic Submission and Processing of Claims for Contract Payments," states that the Secretary of Defense shall require that any claim for payment under a DoD contract be submitted to the DoD in electronic form. The Act also requires the Secretary of Defense to provide policies, requirements, and procedures for using electronic means for the submission of claims for payment to DoD. Implementation is to occur no later than October 1, 2002. The Secretary of Defense was required to submit, by March 30, 2001, a plan for implementation of the requirements, to the Committee on Armed Services of the Senate and House of Representatives. However, the report was not submitted to Congress until July 6, 2001. The Under Secretary of Defense (Comptroller) did not concur with the report because the office believed DoD should have been able to meet a June 30, 2001, deadline for implementing electronic invoicing. The Under Secretary of Defense (Comptroller) believed that current initiatives could have been accelerated to ensure that electronic invoicing was fully implemented throughout DoD by October 1, 2001.

Defense Electronic Business Program Office. The Deputy Secretary of Defense designated the Defense Electronic Business Program Office (DEBPO), formerly called the Joint Electronic Commerce Program Office, as the DoD Executive Agent on May 20, 1998. DEBPO is responsible for promoting and coordinating DoDs implementation planning, execution, and integration of common Electronic Business (EB)/Electronic Commerce (EC) services.

The Chief Information Officer (CIO), DoD, is positioned under the Assistant Secretary of Defense (Command, Control, Communications, and Intelligence). The DoD CIO is responsible for providing direction and oversight to DEBPO. The Defense Information Systems Agency and the Defense Logistics Agency are required to provide all necessary personnel, facilities, funding, administration, and logistical support to DEBPO.

DoD Electronic Business/Electronic Commerce Strategic Plan. The Deputy Secretary of Defense made the DoD CIO responsible for coordination of all EB and EC initiatives. The DoD CIO formulated a DoD team to set up the DoD Electronic Business/Electronic Commerce Strategic Plan (Strategic Plan) in

May 1999. The Strategic Plan sets forth the DoD EB/EC vision and establishes goals, objectives, and associated strategies. The Strategic Plan is intended to permit DoD to take advantage of EB/EC best practices and initiatives occurring within and among the Federal agencies and their business partners.

Material Inspection and Receiving Report Paper Process. The DD Form 250, Material Inspection and Receiving Report is the key multi-purpose business form that supports contracting functions. The material inspection and receiving report is used by defense industry as a commercial invoice for payment and by DoD to inspect and accept goods and services, as well as notification of shipment.

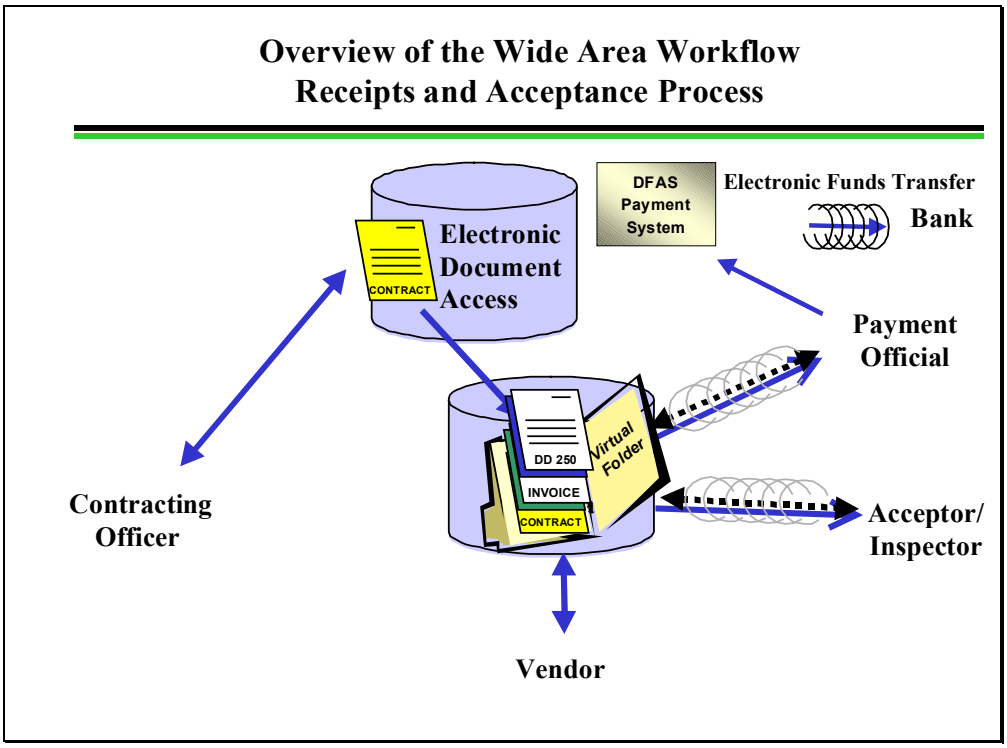
The material inspection and receiving report paper process requires numerous paper copies to be printed, distributed, and exchanged by DoD and the contractor. The same documents are retained in storage at multiple locations and duplicate audit functions are performed at various agencies. The reconciliation process of matching the receipt, invoice and contract often results in document rejection, which can delay payments and require rework.

General Accounting Office Report. Although the DoD CIO is responsible for DEBPO, the General Accounting Office noted in its report, "Electronic Commerce Implementation Strategy Can be Improved," July 2000, that the structure of DEBPO has created problems for the DoD CIO. The report states that the structure diluted the DoD CIOs authority over DEBPO and has caused the DoD CIO to be excluded from the decision-making process and the chain of command. The report recommended that DoD ensure that the EC program office has clear lines of authority and funding necessary to implement a DoD-wide Program. The report recommended the Secretary of Defense direct the DoD CIO to develop an implementation plan that explicitly addressed the DoD-wide goals, objectives, and strategies of the Strategic Plan. The Director for Defense Reform concurred with the recommendation and stated that the Strategic Plan would be updated to reflect forthcoming policies on electronic business. However, as of November 2001, the Strategic Plan had not been updated.

WAWF-RA Objectives. DEBPO created the WAWF-RA[1] application as a prototype to eliminate paper from the receipts and acceptance, invoice, and payments process of the DoD contracting life-cycle. The WAWF-RA contains the documents required in the material inspection and receiving report process in a virtual, or paperless, folder that is viewed on the web. The objectives of WAWF-RA were to create an EC environment to improve bill paying and accounting operations, reduce operating costs, and reduce unmatched disbursements. The WAWF-RA would accomplish those objectives by eliminating paper-based support functions, increasing document accuracy, and providing secure and auditable transactions.

[1]A second application of Wide Area Workflow involves contract closeout. This functionality focuses on the closing out of contracts and the electronic routing and distribution of the paperwork necessary to accomplish this. The DEBPO began the application definition in late Fiscal Year 2000 but Wide Area Workflow-Contract Closeout has not yet become operational.

Wide Area Workflow-Receipts and Acceptance Process. The following figure illustrates the WAWF-RA process and the flow of data within WAWF-RA.



Source: Defense Electronic Business Program Office

Wide Area Workflow-Receipts and Acceptance Process

Once a contracting officer creates the contract, it can be digitized and stored in the Electronic Document Access and be made available to the contracting officer, vendor, Government acceptor/inspector, and the payment official through a virtual folder. When a contract calls for goods to be shipped, the vendor creates an invoice and a material inspection and receiving report on-line using the WAWF-RA interactive web form. The vendor enters the contract information, such as the name, address, and contract number. The invoice and material inspection and receiving report are stored in the virtual folder in WAWF-RA. The application generates an e-mail message to notify the Government official that he or she needs to review and process the documents. The inspector/acceptor receives, validates, and digitally signs the material inspection and receiving report. The WAWF-RA application then generates an e-mail message to notify the payment official that there are documents ready to be processed. The paying official compares the contract, invoice, and material inspection and receiving report in the virtual folder to verify that all the information is correct on all the documents. The vendor payment is then electronically deposited in the vendor's bank through electronic funds transfer.

Objectives

The overall objective of the audit was to evaluate the adequacy of the development and implementation of the WAWF-RA application. An additional objective was to determine whether the WAWF-RA application was compliant with national and DoD security requirements. Because of the status of the WAWF-RA development and implementation, we did not review compliance with security requirements. We also assessed the management control program as it relates to the objective of the audit. See Appendix A for a discussion of the audit scope and methodology, management controls, and prior coverage.

Development and Implementation of Wide Area Workflow-Receipts and Acceptance

After 3 years and $8.4 million expended, the DEBPO initiative of WAWF-RA has realized limited acceptance and use. Acceptance and use of WAWF-RA has been limited because DoD has not effectively managed the development and implementation of WAWF-RA. Specifically, DEBPO did not develop the WAWF-RA consistent with information technology and program acquisition guidelines. DEBPO did not:

- analyze and revise the receipts and acceptance business process before it began developing the WAWF-RA,
- develop a WAWF-RA acquisition strategy,
- prepare a memorandum of agreement with DoD Components,
- conduct acquisition decision analysis, and
- record, preserve, and make available sufficient information to substantiate the acquisition and development of WAWF-RA.

In addition, the Military Departments have not adopted WAWF-RA. As a result, WAWF-RA has not been effective in providing a DoD-wide solution for receipts and acceptance in the end-to-end procurement process. Also, WAWF-RA has not been effective in meeting the goals of the FY 2001 Authorization Act to implement a means for electronic claims processing by October 2002.

Policy and Directives

Defense Reform Initiative Directives. The Deputy Secretary of Defense issued Defense Reform Initiative Directives (DRIDs) to address Management Reform Memorandum No. 2. DRID Nos. 33 and 43 addressed the material inspection and receiving report process and the establishment of DEBPO.

Defense Reform Initiative Directive No. 33. The Deputy Secretary of Defense published the Department of Defense Reform Initiative Directive (DRID) No. 33, "Paperless DD Form 250, Material Inspection and Receiving Report," on April 13, 1998. DRID No. 33 identified the material inspection and receiving report process, as having great potential to be re-engineered and transitioned to a paperless environment. The Deputy Secretary of Defense tasked the Defense Contract Management Agency to lead an effort to re-engineer the process with the aim of making it paperless.

Defense Reform Initiative Directive No. 43. The Deputy Secretary of Defense directed the establishment of DEBPO in DRID No. 43, "Defense-wide Electronic Commerce," on May 20, 1998. DEBPO was to allow DoD to centralize EC policy recommendations, planning, and coordination to ensure consistent implementation. DRID No. 43 required DEBPO to develop a charter and coordinate it with DoD officials including the Under Secretary of Defense (Acquisition, Technology, and Logistics), Under Secretary of Defense (Comptroller), DoD CIO, and Secretaries of the Military Departments. Further, the charter was to be reflected in the DoD Directives system.

Information Technology and Program Acquisition Guidelines. Information technology and acquisition guidelines exist for the development of automated information systems. The Clinger-Cohen Act of 1996; Office of Management and Budget Circular A-130, "Management of Federal Information Resources," February 8, 1996; and DoD 5000.2-R, "Mandatory Procedures for Major Defense Acquisition Programs (MDAPS) and Major Automated Information System (MAIS) Acquisition Programs," October 23, 2000, should be adhered to when acquiring or developing new information technology. The guidelines require that the acquisition for information technology be delivered at acceptable costs and within reasonable time frames. Further, the guidelines require that the acquisition contribute to improvements in mission performance. The acquisition is to support a process that has been completely analyzed, simplified, and redesigned.

Clinger-Cohen Act of 1996. The Clinger-Cohen Act of 1996 requires DoD to analyze its mission and revise its processes before significantly investing in information technology. The information technology should be delivered within 18 months after DoD issues a contract solicitation. The Secretary of Defense reiterated the goals and objectives of the Clinger-Cohen Act in a memorandum in June 1997. The keys to a successful implementation of Information Technology Management Reform included speedy implementation, unity of authority, and management commitment.

Office of Management and Budget Circular A-130. Office of Management and Budget (OMB) Circular A-130, requires agencies to record, preserve, and make accessible sufficient information to ensure the management and accountability of agency programs. Federal agencies are required to incorporate a records management function into the design, development, and implementation of information systems.

DoD 5000.2-R. DoD 5000.2-R provides guidelines for acquisition for information technology. DoD 5000.2-R requires program managers to prepare an analysis of alternatives. Further, each program manager should develop and document an acquisition strategy to serve as a roadmap for program execution from program initiation through post-production support.

WAWF-RA Acceptance and Use

After 3 years and $8.4 million expended, the DEBPO initiative of WAWF-RA has realized limited acceptance and use. The Deputy Secretary of Defense established DEBPO under DRID No. 43 in May 1998 to promote and coordinate EC throughout DoD. In an effort to promote EC, DEBPO began developing a series of initiatives to automate portions of the DoD procurement process. One of those initiatives was the WAWF-RA. DEBPO initiated the WAWF-RA development in 1998 to automate the receipts and acceptance portion of the end-to-end procurement cycle. The DEBPO, at the direction of the Deputy Secretary of Defense, initiated the WAWF-RA in order to fulfill the requirements of DRID No. 33.

WAWF-RA Useage. DoD is using WAWF-RA for only a miniscule portion of contracting actions. DoD purchased $156 billion in goods and services in 15 million purchasing actions during FY 2000. The DEBPO intended all of DoD to use WAWF-RA. However, as of March 1, 2001, WAWF-RA had only 33 active vendors that had processed a total of $50 million in goods and services.

WAWF-RA Status. As of July 2001, WAWF was in pilot[2] deployment. According to DEBPO, the current version of WAWF-RA is Version 1.3B and is considered to be in a pilot phase. The next major release will be Version 2.0, which was to be fielded in three increments in July 2001, October 2001, and January 2002.

The Military Departments have three pilot sites that are using WAWF-RA in a limited capacity. The Army has one pilot site for WAWF-RA that has been in operation since September 2000 which processes one transaction per month. The Navy has no WAWF-RA pilot sites. The Air Force currently has two pilot sites using WAWF-RA.

Effectiveness of WAWF-RA Development and Implementation

Acceptance and use of WAWF-RA has been limited because DoD has not effectively managed the development and implementation of WAWF-RA. Specifically:

- DEBPO did not develop WAWF-RA consistent with information technology and program acquisition guidelines, and
- Military Departments have not adopted the WAWF-RA.

[2]A test location, normally used to see if an application operates satisfactorily before placing it at other locations.

Development of WAWF-RA. DEBPO did not develop the WAWF-RA application consistent with information technology and program acquisition guidelines. DEBPO believed that because this was a prototype acquisition, they did not have to adhere to Clinger-Cohen Act, DoD 5000 Series Acquisition Directives and Regulations, and OMB Regulations.

Specifically, DEBPO did not:

- analyze and revise the receipts and acceptance business process before it began developing the WAWF-RA,
- develop a WAWF-RA acquisition strategy,
- prepare a memorandum of agreement with DoD Components,
- conduct acquisition decision analysis, and
- record, preserve, and make available sufficient information to substantiate the acquisition and development of WAWF-RA.

Business Process Analysis and Re-engineering. The Clinger-Cohen Act of 1996 and DoD 5000.2-R require DoD to analyze and revise processes before making significant investments in information technology. DEBPO did not analyze and revise the receipts and acceptance business process before developing the WAWF-RA. The Deputy Secretary of Defense stated, in DRID No. 33, the material inspection and receiving report process had great potential to be re-engineered and transitioned to a paperless environment. On April 20, 1998, the Deputy Secretary of Defense appointed a working group to conduct a comprehensive review and develop recommendations to streamline the material inspection and receiving report process with the aim of making it paperless. The group issued the results of its review in a report on the material inspection and receiving report in April 1999. However, DEBPO began developing the WAWF-RA application at a cost of approximately $2 million, on July 30, 1998, about one year before the group issued its results. DEBPO stated that, at inception, the WAWF-RA was developed at the direction and guidance of the Deputy Secretary of Defense with the intent on providing a paperless solution by January 1, 2000. DEBPO did not re-engineer the material inspection and receiving report process.

WAWF-RA Acquisition Strategy. DoD 5000.2-R states that an acquisition strategy should serve as a guide for program execution from initiation through implementation. An acquisition strategy should provide quantifiable requirements, time frames and baselines, and measures of performance to minimize the time and cost of completion. DEBPO documented that it was responsible for implementing EC for the DoD. DEBPOs strategy for doing so was to develop prototype applications, such as WAWF-RA, and to adopt selected prototypes and technologies for DoD-wide implementation. However, DEBPO did not outline the details of how it would realistically

achieve this objective. DEBPO did not develop a WAWF-RA acquisition strategy or document and develop quantifiable requirements, time frames and baselines, or measures of performance.

Memorandum of Agreement. DoD 5000.2-R states that a memorandum of agreement (MOA) should be developed for a joint program to specify the relationship and responsibilities of the program manager, Military Departments, and Defense agencies. DEBPO did not develop an MOA. A detailed MOA could have provided a framework for a cohesive management structure. Further, it would have served as a vehicle for management commitment and participation by the Military Departments. At a minimum, the MOA should address system requirements, funding, manpower, and the approval process of the operational requirements document and other program documentation.

Because DEBPO did not develop an MOA, the WAWF-RA development lacked a cohesive management structure and authority and WAWF-RA ownership is not apparent. For example, the DoD CIO is responsible for oversight of the DEBPO, the WAWF-RA Program Manager. The Defense Information Systems Agency provides funding, while Defense Logistics Agency provides resources. Therefore, the two organizations could, in effect, have more control over the development than the DoD CIO or the business process owners to include the Military Departments. Further, the DoD Strategic Plan lists the Defense Contract Management Agency as the official responsible for the material inspection and receiving report. However, DEBPO has been responsible for the development of the WAWF-RA. The WAWF-RA requirements document does not identify Military Departments as a WAWF-RA partner. Because of the lack of clear lines of responsibility, DEBPO should develop an MOA with the Military Departments and those Defense agencies.

Acquisition Decision Analysis. DoD 5000.2-R is the model for acquiring non-major automated information systems. Analysis of alternatives and the economic analysis should be the basis for developing or acquiring new information technology. DEBPO did not prepare either for WAWF-RA.

Analysis of Alternatives. DoD 5000.2-R requires program managers to develop an analysis of alternatives to aid and document decision making by showing the risk, uncertainty, and the relative advantages and disadvantages of the alternatives being considered. DEBPO did not prepare an analysis of alternatives. However, DEBPO acknowledged that the April 1999 report on the material inspection and receiving report identified four systems, in several stages of development, that made the process paperless:

- Defense Contract Management Command Electronic Data Interchange DD Form 250,

- Paperless Contracting Working Integrated Process Team Wide Area Workflow,

- Federal Systems Integration and Management Center Tracking and Ordering System, and

- Defense Medical Logistics Standard Support.

The April 1999 report stated that none of the four systems, including WAWF-RA, satisfied the requirements of all DoD users. The April 1999 report did not document the risk, uncertainty, advantages, and disadvantages of the alternatives being considered. Regardless, DEBPO did not wait for the results of the study and initiated the development of the WAWF-RA.

The April 1999 report stated that information technology has an 18-month turnover and solutions must be timely. The Clinger-Cohen Act of 1996 also states that information technology should be delivered within 18 months after solicitation. Since DEBPO began developing the WAWF-RA more than 3 years ago, information technology has changed significantly. As such, DEBPO should reassess the WAWF-RA to determine whether it is the best solution for receipts and acceptance. DEBPO should develop an analysis of alternatives to identify the advantages and disadvantages of current technology and the current version of WAWF-RA to validate that it is the best solution before DoD incurs further expenses.

Economic Analysis. DoD Instruction 7041.3, "Economic Analysis for Decisionmaking," November 7, 1995, requires DoD to develop an economic analysis that includes the total costs and benefits of each feasible alternative for new information technology investments. DEBPO did not develop an economic analysis. Effective use of an economic analysis, in conjunction with an analysis of alternatives, gives program managers a valid basis for evaluating the feasibility of alternatives. DEBPO should develop an economic analysis that includes total costs and benefits of each feasible alternative identified in the analysis of alternatives.

Program Documentation. OMB Circular A-130 requires Federal agencies to record, preserve, and make information available. Additionally, DoD 5000.2-R states that program managers are fully responsible and accountable for the cost, schedule, and performance of the system development. Program documentation is the means for accountability of program compliance and performance. DEBPO program documentation did not demonstrate that WAWF-RA was developed in accordance with Federal and DoD Regulations such as the Clinger-Cohen Act of 1996 or DoD 5000.2-R.

DEBPO is the DoD executive agent for EB/EC and is responsible for the development of WAWF-RA. The DEBPO personnel stated that documentation did not exist or was not readily available. Personnel stated that the constant change of the WAWF-RA program managers (four different program managers since 1998) had caused those documentation problems. Also, the existing documentation was not centrally located within the DEBPO program office, or was lost.

Federal and DoD guidelines encourage continuous examination and adoption of innovative practices. However, the Federal and DoD guidelines do not absolve program managers from accountability for the development of a system. The DEBPO, as the program manager, should have developed and maintained WAWF-RA documentation. Specifically, WAWF-RA documentation should have demonstrated that WAWF-RA was developed in accordance with DoD Acquisition Directives and Regulations; the Clinger-Cohen Act; and OMB Circular A-130.

Prototyping and Standard Application Development. The DEBPO did not consider the DoD 5000 Series Acquisition Directives and Regulations applicable. DEBPO believed that it did not have to comply with DoD acquisition requirements because WAWF-RA was a prototype.

A prototyping development uses a trial and error approach to define and refine the requirements after the initial system design. Users are responsible for specifying the requirements, evaluating the iterations, refining requirements, and communicating changes. In addition:

- the design documentation may not be thorough, making future maintenance more difficult, and
- the design may be incomplete and result in a highly inefficient system.

Prototyping usually places the application into operation quicker than a standard development, but has associated risks. The 5000.2-R approach to information technology development defines requirements before the system is designed, and has enhanced management and controls over the development process. Therefore, the associated risks are lower. Standard development does not give users a functional system as quickly as a prototyping effort because application development time is longer than that of prototyping.

DEBPO believed DoD acquisition guidelines were not applicable because it was developing a prototype and because developing a prototype for EC was unchartered territory. DEBPO should have considered and incorporated DoD 5000 guidelines into the development of WAWF-RA in order to minimize the risks of developing an application that is insufficient.

The Military Departments Adoption of WAWF-RA. The Military Departments have not adopted WAWF-RA as the DoD-wide solution to paperless receipts and acceptance. The Army, Navy, and Air Force have voiced concerns about WAWF-RA functionality. According to the Military Departments, implementation of WAWF-RA is contingent upon the following functions: WAWF-RA software functionality that provides for the automatic population of data from contract documentation for invoice and acceptance documents; sufficient communications infrastructure; and procedures for Public Key Infrastructure Certificate issuance, maintenance, and revocation. According to the program manager, WAWF-RA is a typical system that

continues to improve. As new versions of WAWF-RA become available, new features and phases will be introduced that will address the concerns and requirements of the Military Departments.

The DoD CIO stated that WAWF-RA is the target system for processing invoices, receipts, and acceptance DoD-wide. Therefore, the DoD CIO should determine whether WAWF-RA will perform the functions the Military Departments require by October 1, 2002. The DoD CIO, along with the CIOs of the Army, Navy, and Air Force, should require the Military Departments to adopt and implement the WAWF-RA if determined that the application will satisfy DoDs needs for receipts and acceptance.

Impact of WAWF-RA Initiative Throughout DoD

WAWF-RA has not been effective in providing a DoD-wide solution for receipts and acceptance in the end-to-end procurement process. Also, the WAWF-RA has not been effective in meeting the goals of the FY 2001 Authorization Act to implement a means for electronic claims processing by October 2002. The FY 2001 Authorization Act requires that DoD contractors submit electronic claims for payment by October 1, 2002. The DoD CIO stated that WAWF-RA is the target system for processing invoices, receipts, and acceptance DoD-wide. The Secretary of Defense was required to report to Congress by March 30, 2001, concerning how DoD would implement electronic invoicing by October 1, 2002. On July 6, 2001, the report was signed and sent to Congress. The report states that DoD has developed or is developing various systems to enable the electronic transmittal of receipt and acceptance information and invoice information. The report states that the Military Departments full deployment of WAWF-RA is planned to begin in January 2002 and end in September 2002. However, the Under Secretary of Defense (Comptroller) did not concur with the report because the DoD Components would not confirm the implementation dates for electronic invoicing. DoD has not reached an agreement on the mechanism and implementation date for electronic invoicing.

DEBPO has taken the initiative to develop WAWF-RA as a means to make electronic claims for payment as intended in the FY2001 Authorization language and in DRID No. 33. However, the Military Departments have not adopted WAWF-RA. The DoD CIO is responsible for implementing the DoD-wide EC initiatives and for overseeing DEBPO. The DoD CIO should monitor and approve DEBPO EC initiatives in order to manage the risk, uncertainty, and the relative advantages and disadvantages of alternatives for receipts and acceptance. The DoD CIO must also determine if the Military Departments will be capable of full implementation of WAWF-RA by the deadline set in the FY 2001 Authorization Act.

Recommendations, Management Comments, and Audit Response

We recommend that the Chief Information Officer, DoD, Assistant Secretary of Defense (Command, Control, Communications, and Intelligence):

1. Determine whether Wide Area Workflow-Receipts and Acceptance will perform the functions that the Military Departments require by October 1, 2002, and, along with the Chief Information Officers of the Army, Navy, and Air Force, require the Military Departments to adopt and implement the Wide Area Workflow-Receipts and Acceptance if it is determined that the application will satisfy DoDs needs for receipts and acceptance.

Management Comments. The DoD CIO did not comment on the recommendation. We request that the DoD CIO provide comments in response to the final report.

2. Direct the Defense Electronic Business Program Office to:

a. Determine and document whether the material inspection and receiving report process was re-engineered and not just made paperless.

Management Comments. The Director, Electronic Business and Knowledge Management concurred and stated that with each version release of WAWF-RA, all requirements targeted for a particular release are discussed by the WAWF-RA Joint Requirements Board, allowing for ongoing re-engineering of the process as new requirements and functionality are included and new versions of the software released.

Audit Response. Although the Director, Electronic Business and Knowledge Management concurred, the comments were not fully responsive. The Director addressed the importance of the Joint Requirements Board to discuss new requirements for a particular release. However, the Director does not address the intent of the recommendation. DEBPO must determine whether WAWF-RA has been re-engineered to satisfy DoDs needs for receipts and acceptance. If that is not the case, DEBPO must accomplish the re-engineering process as required by DRID No. 33. We request that the DoD CIO reconsider its response and provide additional comments in response to the final report.

b. Develop an acquisition strategy that defines quantifiable requirements, time frames and baselines, and measures of performance for the paperless receipts and acceptance process.

Management Comments. The Director, Electronic Business and Knowledge Management concurred, stating that there is no formal WAWF-RA acquisition plan or strategy. However, a process has been implemented that defines quantifiable requirements, time frames, and baselines through the auspices of the Joint Requirements Board for WAWF-RA. Further, measures for paperless receipts and acceptance process have been included in the metrics tracked by the Paperless Contracting Working Integrated Process Team and continue to be tracked as that effort transferred to the DoD Cross-Functional Implementation Integrated Process Team. DEBPO will formally document the WAWF-RA acquisition plan by December 31, 2001.

c. Develop a memorandum of agreement with the Military Departments and Defense agencies which specifically outlines and details the relationship and responsibilities for the Wide Area Workflow-Receipts and Acceptance.

Management Comments. The Director, Electronic Business and Knowledge Management concurred, stating responsibility for developing each MOA rests with DEBPO until WAWF-RA is turned over to Executive Agents. DEBPO will complete development of each MOA in coordination with the Executive Agents by June 30, 2002.

d. Perform and document an analysis of alternatives which identifies the advantages and disadvantages of current technology and the current version of Wide Area Workflow-Receipts and Acceptance.

Management Comments. The Director, Electronic Business and Knowledge Management partially concurred and stated that initially a proof of concept examined alternatives through the demonstration of four independent technology solutions in 1998, followed by a comprehensive search of commercial-off-the-shelf products. The analysis, conducted in September 1998, was not documented; however, it led to the technology selected, which was a proven product in other initiatives. Subsequently, WAWF-RA deployed Version 2.0a, adding functionality to the prototype version 1.3b. A new analysis at this time comparing WAWF-RA to current technologies will not impact the acquisition or the cost to the Government in any significant way, as the effort is complete. As plans for future WAWF-RA versions, incorporating additional functionality, are developed, alternative technologies will be evaluated and documented through the WAWF-RA Joint Requirements Board as the Inspector General has recommended. In addition, commercial-off-the-shelf solutions for workflow functionality are frequently being evaluated by DEBPO.

Audit Response. Although the Director, Electronic Business and Knowledge Management concurred, the comments were not fully responsive. According to contract documentation, in July 1998, a contract was awarded to develop the WAWF-RA prototype before any analysis of alternatives was completed. DEBPO should develop a current analysis of alternatives to identify the advantages and disadvantages of both the current technology and the current version of WAWF-RA. This analysis will validate that WAWF-RA remains the best solution before DoD incurs further expenses from WAWF-RA. We request that the DoD CIO reconsider its response and provide additional comments in response to the final report.

e. Perform and document an economic analysis that includes the total costs and benefits of each feasible alternative.

Management Comments. The Director, Electronic Business and Knowledge Management concurred, stating that the costs of the development and testing of the current version are sunk costs and an analysis of comparing alternatives will not impact that expenditure. As new requirements are reviewed, the process now includes an evaluation of alternate technologies and the associated cost and benefits for different approaches. A formal economic analysis was not documented for WAWF-RA. Although evaluating the costs for the current version of WAWF-RA to other technologies at this time would seem to be of somewhat limited value, DEBPO will perform and document an economic analysis to be used as a baseline in evaluating technologies for future releases. This economic analysis will be completed by June 30, 2002.

f. Develop an independent Management Control Program that provides reasonable assurance with clear control objectives that the development of new information technology complies with the requirements of the Clinger-Cohen Act of 1996 and the Office of Management and Budget Circular A-130.

Management Comments. The Director, Electronic Business and Knowledge Management concurred and stated that about a year ago, DEBPO put in place a configuration management system. All WAWF-RA contractor documents and software deliverables are properly managed and tracked on this system. The Joint Requirements Board defines and prioritizes functional requirements, recommends system enhancements, oversees functional and operational testing, and facilitates cross-agency planning, training and deployment. To further improve oversight by the project manager, a monthly structured project review process has been refined to carefully scrutinize WAWF-RA cost, schedule, and performance. Taken together, these initiatives clearly place the WAWF-RA leadership in a position to assure management commitment and oversight leading to a successful implementation of WAWF-RA.

Audit Response. Although the Director, Electronic Business and Knowledge Management concurred with the recommendation, the comments were not fully responsive. DEBPO has put controls into place within its acquisition process; however, DEBPO has not identified a plan to test these controls. The response does not address a plan of action for developing an independent management control program with clear control objectives that reasonably assures compliance with the Clinger-Cohen Act and OMB Circular A-130. Also, the comments do not address a self-assessment to determine if the control objectives are achieving the intended results. We request that the DoD CIO reconsider its response and provide additional comments in response to the final report.

Appendix A. Audit Process

Scope

Work Performed. We conducted this audit from October 2000 through July 2001, and reviewed documentation dated May 1997 through July 2001. We performed audit work to determine the adequacy of the WAWF-RA application development and implementation. In order to assess development and implementation, we used the Clinger-Cohen Act of 1996; Office of Management and Budget Circular A-130, "Management of Federal Information Resources," February 8, 1996; DoD 5000.2-R, "Mandatory Procedures for Major Defense Acquisition Programs (MDAPS) and Major Automated Information System (MAIS) Acquisition Programs," October 23, 2000; DoD Directive 8190.2, "The Department of Defense (DoD) Electronic Business/Electronic Commerce (EB/EC) Program," June 23, 2000; and the Defense Reform Initiative Directives Nos. 33 and 43.

In accomplishing the objective, we reviewed how DoD and DEBPO managed the development of WAWF-RA and the extent of implementation by the Military Departments. We reviewed program documentation and interviewed individuals who are involved in the development and implementation of WAWF-RA. Specifically we:

- reviewed WAWF-RA working group minutes from August 1998 through March 2000,
- reviewed the results of a working group review that developed recommendations to streamline the material inspection and receiving report process with the aim of making it paperless,
- reviewed WAWF-RA draft implementation plans provided by the services,
- reviewed contract documentation from July 1998 through January 2001,
- interviewed WAWF-RA representatives from the Army, Navy, Air Force, DFAS, and Defense Contract Management Agency,
- interviewed DoD and Military Department Chief Information Officers, and
- visited DoD and contractor end-users of WAWF-RA located at DFAS-Columbus, DCMA-Raytheon in Tucson, Arizona, DFAS-Pacific, and Hickam Air Force Base.

General Accounting Office High-Risk Area. The General Accounting Office has identified several high-risk areas in the DoD. This report provides coverage of the DoD Systems Modernization high-risk area.

Methodology

Use of Computer-Processed Data. We did not use computer-processed data to perform this audit.

Use of Technical Assistance. We did not use technical assistance to perform this audit.

Audit Type, Dates, and Standards. We performed this economy and efficiency audit from October 2000 through July 2001 in accordance with generally accepted government auditing standards.

Contacts During the Audit. We visited or contacted individuals and organizations within DoD. Further details are available on request.

Management Control Program Review

DoD Directive 5010.38, "Management Control (MC) Program," August 26, 1996, and DoD Instruction 5010.40, "Management Control (MC) Program Procedures," August 28, 1996, require DoD organizations to implement a comprehensive system of management controls that provides reasonable assurance programs are operating as intended and to evaluate the adequacy of the controls.

Scope of the Review of the Management Control Program. We reviewed the adequacy of management controls over the development of new technology. We reviewed management's self-evaluation applicable to those controls.

Adequacy of Management Controls. We identified a material management control weakness for DEBPO as defined by DoD Instruction 5010.40. The DEBPO could not provide reasonable assurance of the adequacy of controls over the development of new technology. Recommendation 2.f., if implemented, will improve the controls over the development of new technology. A copy of this report will be provided to the senior official responsible for management controls at DEBPO.

Adequacy of Management's Self-Evaluation. DEBPO does not have an independent Management Control Program. DEBPO is a component of both the Defense Logistics Agency and the Defense Information Systems Agency and should be included in the Defense Logistics Agency and Defense Information Systems Agency Management Control Programs. However, neither the Defense Logistics Agency nor the Defense Information Systems Agency officials

identified the development of new technology as an assessable unit. Therefore, the officials did not identify or report the material management control weakness identified by the audit.

Prior Coverage

General Accounting Office

GAO Report No. GAO-01-244, "Major Management Challenges and Program Risks: Department of Defense," January 1, 2001

GAO Report No. NSIAD-00-108, "Electronic Commerce Implementation Strategy Can Be Improved," July 18, 2000

Appendix B. Report Distribution

Office of the Secretary of Defense

Under Secretary of Defense for Acquisition, Technology, and Logistics
Under Secretary of Defense (Comptroller)
  Deputy Chief Financial Officer
  Deputy Comptroller (Program/Budget)
Assistant Secretary of Defense for Command, Control, Communications, and Intelligence
  Director, E-Business and Knowledge Management
  Director, Defense Electronic Business Program Office

Department of the Army

Chief Information Officer
Auditor General, Department of the Army

Department of the Navy

Chief Information Officer
Naval Inspector General
Auditor General, Department of the Navy

Department of the Air Force

Assistant Secretary of the Air Force (Financial Management and Comptroller)
Chief Information Officer
Auditor General, Department of the Air Force

Other Defense Organizations

Director, Defense Contract Audit Agency
Director, Defense Contract Management Agency
Director, Defense Finance and Accounting Service
Director, Defense Information Systems Agency
Director, Defense Logistics Agency

Non-Defense Federal Organization

Office of Management and Budget

Congressional Committees and Subcommittees, Chairman and Ranking Minority Member

Senate Committee on Appropriations
Senate Subcommittee on Defense, Committee on Appropriations
Senate Committee on Armed Services
Senate Committee on Governmental Affairs
House Committee on Appropriations
House Subcommittee on Defense, Committee on Appropriations
House Committee on Armed Services
House Committee on Government Reform
House Subcommittee on Government Efficiency, Financial Management, and Intergovernmental Relations, Committee on Government
House Subcommittee on National Security, Veterans Affairs, and International Relations, Committee on Government Reform
House Subcommittee on Technology and Procurement Policy, Committee on Government Reform

Assistant Secretary of Defense (Command, Control, Communications, and Intelligence) Comments

DEPARTMENT OF DEFENSE
6000 DEFENSE PENTAGON
WASHINGTON, DC 20301-6000

CHIEF INFORMATION OFFICER

October 10, 2001

MEMORANDUM FOR INSPECTOR GENERAL, DOD

SUBJECT: Response to Draft Audit Report on Development and Implementation of Wide Area Workflow-Receipts and Acceptances (WAWF-RA)

Thank you for the opportunity to provide comments on your Draft Audit Report on WAWF-RA. We have reviewed the draft and the attached provides DoD CIO specific comments on the report. This office concurs with the six recommendations and has provided amplifying information in the attachment.

The DoD CIO point of contact is Ms. Dee Ann Sullivan, (703) 604-1585, DeeAnn.Sullivan@osd.pentagon.mil.

Paul D. Grant
Director, Electronic Business and Knowledge Management

Attachment:
As Stated

Management comments follow in response to findings and applicable recommendations.

Finding: DEBPO did not analyze and revise the receipts and acceptance before it began developing the WAWF-RA.

Recommendation (a): Determine and document whether the material inspection and receiving report process was re-engineered and not just made paperless;

CONCUR WITH COMMENTS: Re-engineering of the material inspection and receiving report process was recommended under DRID 33 and incorporated into DRID47, creating a "To Be" procurement process and system model. The model looks to WAWF-RA to provide the mechanism for re-engineering the material inspection and receiving process. This includes on-line creation of documents, with up front data validation, system to system sharing of data eliminating the need to manually re-key data and the errors associated with that manual process, and the sharing of data electronically between vendors and various Government representatives involved in the process.

With each version release of WAWF-RA, all requirements targeted for a particular release are discussed by the WAWF-RA Joint Requirements Board, allowing for an ongoing re-engineering of the process as new requirements and functionality are included and new versions of the software released. As an example, version 2.0a took full advantage of changes in the FAR allowing the system to move away from the traditional forms-based process, with many different forms being used for the same process, to a single standard format capturing all of the data required for any of the paper-based forms.

The initial goal to building WAWF-RA was to make the receipts and acceptance process paperless. WAWF-RA has achieved that goal. Development of WAWF-RA was preceded by the Paperless Contracting AS-IS modeling efforts, the follow-on Procurement-Finance TO-BE modeling, and the DD250 Redesign that the Defense Contract Management Agency (DCMA) conducted. DEBPO participated in each of these forums and tried to incorporate the best "re-engineered" ideas where there was agreement. These efforts established a foundation upon which to build WAWF-RA. WAWF-RA is now an e-commerce application that is

operating in a production mode. It is available for all Services/Agencies to use.

Finding: DEBPO did not develop a WAWF-RA acquisition strategy.

Recommendation (b): Develop an acquisition strategy that defines quantifiable requirements, timeframes and baselines, and measures of performance for the paperless receipts and acceptance process;

CONCUR WITH COMENTS: DEBPO was originally set up to "improve DoD acquisition processes and supporting sustainment life cycle practices" (PBD711R). PBD085 provided funds to DISA to "address the unmatched disbursements problem and paperless contracting objectives." So WAWF-RA was an essential part of the directions that DISA and DLA received when DEBPO was being stood up. Without WAWF-RA, DEBPO could not address the unmatched disbursement problem or fulfill the paperless contracting objection of the DoD. The DEBPO charter was to "jump start" electronic commerce rather than to create formal programs under DoD 5000 rules. After initial deployment, they were to be turned over to Executive Agents, who would then instantiate them into formal programs.

Although there is no formal WAWF-RA acquisition plan or strategy, a process has been implemented that defines quantifiable requirements, timeframes and baselines through the auspices of the Joint Requirements Board for Wide-Area Workflow. Further, measures for paperless receipts and acceptance process have been included in the metrics tracked by the Paperless Contracting Working Integrated Process Team and continue to be tracked as that effort transferred to the DoD Cross-Functional Implementation Integrated Process Team. DEBPO will formally document the WAWF-RA acquisition plan by 31 Dec 01.

Finding: DEBPO did not prepare a memorandum of agreement (MOA) with DOD Components.

Recommendation (c): Develop a memorandum of agreement with the Military Departments and Defense Agencies which specifically outlines and details the relationship and responsibilities for the Wide Area Work Flow – Receipts and Acceptance.

CONCUR: Responsibility for developing MOAs rests with DEBPO until WAWF-RA is turned over to the Executive Agents. DEBPO will

complete development of the MOAs in coordination with the Executive Agents by 30 Jun 02.

Finding: DEBPO did not conduct acquisition decision analysis.

Recommendation (d): Perform and document an analysis of alternatives which identifies the advantages and disadvantages of current technology and the current version of Wide-Area Workflow-Receipts and Acceptance;

PARTIALLY-CONCUR: Initially a proof of concept examined alternatives through the demonstration of four independent technology solutions in 1998, followed by a comprehensive search of COTS products. This analysis, although not documented, led us to the technology selected, which was a proven product in other initiatives. Subsequently, Wide-Area Workflow-Receipts and Acceptance (WAWF-RA) has deployed version 2.0.a, adding additional functionality to the prototype version 1.3.b. A new analysis at this time comparing WAWF-RA to current technologies will not impact the acquisition or the cost to the Government in any significant way, as the effort is complete. This analysis was conducted on September 1998. As plans for future WAWF-RA versions, incorporating additional functionality are developed, alternative technologies will be evaluated and documented through the WAWF-RA Joint Requirements Board as the IG has recommended. In addition, COTS solutions for workflow functionality are frequently being evaluated by the DEBPO.

Recommendation (e): Perform and document an economic analysis that includes the total cost and benefit for each feasible alternative;

CONCUR with Comments: WAWF-RA started as a prototype, demonstrating the potential of an electronic receipt and acceptance system. The costs of the development and testing of the current version are sunk costs and an analysis of comparing alternatives will not impact that expenditure. As the system moved from prototyping to production, the Joint Requirement Board for WAWF-RA was established. As new requirements are reviewed, the process now includes an evaluation of alternate technologies and the associated cost and benefits for different approaches. We concur that a formal economic analysis was not documented for WAWF-RA. Although evaluating the costs for the current version of WAWF-RA to other technologies at this time would seem to be of somewhat limited value, DEBPO will perform and document an economic analysis to be used as a baseline in evaluating technologies for future releases. This economic analysis will be completed by 30 Jun 2002.

Finding: DEBPO did not record, preserve, and make available sufficient information to substantiate the acquisition and development of WAWF-RA.

Recommendation (f): Develop an independent Management Control Program that provide reasonable assurance with clear control objectives that the development of new information technology complies with the requirements of the Clinger-Cohen Act of 1996 and the Office of Management and Budget Circular A-130.

CONCUR: Because DEBPO was an evolving program management organization, a true software engineering infrastructure was not in place at the DEBPO. Early on, there was no centrally controlled system to manage contractor deliverables. Individuals maintained configuration control on their own PCs. However, about a year ago, DEBPO put in place a configuration management system called PVCS. All WAWF-RA contractor documents and software deliveries are properly managed and tracked in this system. In addition, the OASD Deputy Chief Information Officer established a Senior Steering Group and a Joint Requirements Board for the Wide Area Workflow Program on 15 May 2000. This Joint Requirements Board defines and prioritizes functional requirements, recommends system enhancements, oversees functional and operational testing, and facilitates cross-agency planning, training and deployment. To further improve oversight by the project manager, a monthly structured project review process has been refined to carefully scrutinize WAWF-RA cost, schedule and performance. Taken together, these initiative clearly place the WAWF-RA leadership in a position to assure management commitment and oversight leading to a successful implementation of WAWF-RA..

Miscellaneous Comments:

1. In the section "Policy and Directives" we request that the documents listed below be included. (a) DRID No.47 superceded DRID No. 33, (b) the Sep 1, 2000 Memorandum establishing a process for implementing DRID No. 47, and (c) May 15, 2001 memorandum for integrating WAWF-RA into the DRID No. 47 environment.

a. Defense Reform Initiative Directive no. 47. The Deputy Secretary of Defense published DRID No. 47, dated 9 Dec 98, directing the establishment of a DoD-wide Working Integrated Process Team (WIPT) to develop and document the future end-to-end procurement process, incorporating the findings and recommendations of DRID 32. The product

of the WIPT was a "To-Be" procurement process model and system model and a Strategic Implementation Plan. Both the system model and Strategic Implementation Plan identify Wide Area Workflow as a key component for achieving the To-Be electronic procurement process.

b. Memorandum dated Sep 1, 2000 establishing a DoD-wide Integrated Process Team for the implementation to facilitate the implementation DRID #47 End-to-End Procurement Process Model.

c. Management Structure for DoD Wide-Area Workflow Program. The Deputy Chief Information Officer for DoD published a memorandum on May 15, 2001 directing the establishment of a Senior Steering Group and a Joint Requirements Board for the Wide-Area Workflow program.

2. In describing WAWF-RA Acceptance and Use no mention was made of the six DCMA pilot sites. We would recommend including language similar to the following:

"In addition to the Military Department's pilot sites DCMA has six pilot sites and is in the process of establishing four additional pilot sites with version 2.0.b."

3. In describing the Analysis of Alternatives, the DODIG report lists four systems, in several stages of development that made the process paperless. (a) Defense Contract Management Command Electronic Data Interchange DD Form 250, (b) Paperless Contracting Working Integrated Process Team Wide Area Workflow, (c) Federal Systems Integration and Management Center Tracking and Ordering System, and (d) Defense Medical Logistics Standard Support. We recommend that the listing of these systems be removed from the report for the following reasons.

a. Defense Contract Management Command Electronic Data Interchange DD Form 250 is not a system. DCMC is a DOD Agency. Electronic Data Interchange is an American National Standards Institute (ANSI) Accredited Standards Committee (ASC) X.12 Transaction Set for electronic interchange. WAWF-RA, as well as many other DEBPO applications, utilize the EDI standard in their applications to electronically transfer data in a standard format.
b. Paperless Contracting Working Integrated Process Team Wide Area Workflow is not a system. It was a working group of Service/Agency representatives who participated in the evolution of WAWF-RA. The group provided Service/Agency requirements to the DEBPO and the

WAWF-RA development team. The working group was transitioned to the WAWF-RA Joint Requirements Board.

c. Federal Systems Integration and Management Center Tracking and Ordering System. This system has no relationship to WAWF-RA.

d. Defense Medical Logistics Standard Support (DMLSS). This system has no relationship to WAWF-RA and does not use WAWF-RA in its process.

Audit Team Members

The Finance and Accounting Directorate, Office of the Assistant Inspector General for Auditing, DoD, prepared this report. Personnel of the Office of the Inspector General, DoD, who contributed to the report are listed below.

Paul J. Granetto
Marvin L. Peek
Kimberly A. Caprio
Kathryn M. Truex
Michael Perkins
Jacqueline L. Wicecarver
Scott S. Brittingham
Sarah A. Gebhard
Margaret R. Westfall
Clara Li
Stephen Wynne