DEFENSE CONTRACTS

Better Monitoring Could Improve DOD's Management of Award Lead Times

Why GAO Did This Study

DOD uses contracts to procure goods and services ranging from cutting-edge military aircraft to common office supplies. DOD leadership and contractors have expressed concern about the length of time it takes to award contracts, which includes PALT. DOD began collecting data to measure PALT in June 2018 for contracts and orders valued above $250,000.

A committee report included a provision for GAO to review DOD's efforts to address PALT. This report assesses changes in PALT over a four-year period and the extent of efforts—both DOD-wide and by selected DOD components—to manage and monitor the length of time it takes to award contracts.

GAO selected the four DOD components (Army, Navy, Air Force and Defense Logistics Agency) with the most contracting activity from fiscal years 2019 through 2022 and analyzed data on PALT. GAO also reviewed relevant DOD guidance and memorandums, and interviewed officials at DOD and the selected components.

What GAO Recommends

GAO is making 3 recommendations. These include that DOD assess how existing procurement data can be leveraged to monitor PALT across the department, determine if the PALT Tracker is necessary to supplement existing procurement data, and make improvements to its PALT Tracker if it continues to be used to track PALT for procurements over $250 million in value. DOD agreed with the recommendations.

What GAO Found

The length of time between when an agency solicits offers from potential contractors and the date it awards a contract is known as the procurement administrative lead time (PALT). GAO found that median award lead times, or PALT, generally decreased from fiscal year 2019 through fiscal year 2022 for Department of Defense (DOD) contracts and orders valued above $250,000. This suggests that DOD has realized some contracting efficiencies since 2018 when it began collecting data to measure PALT. However, PALT varied by characteristics such as total contract value, contracting approach, contract type, extent of competition, and the type of product or service procured. For example, median PALT values increased by 70 days over the four-year period GAO reviewed for DOD contracts and orders valued over $50 million.

Change in DOD-wide Median Procurement Administrative Lead Time for All DOD Contracts and Orders Above and Below $50 Million in Value, Fiscal Years 2019–2022
Procurement administrative lead time median (days)

	2019	2020	2021	2022
$50 million or more	185	223	250	255
$250,000 to less than $50 million	36	36	31	29

Fiscal years
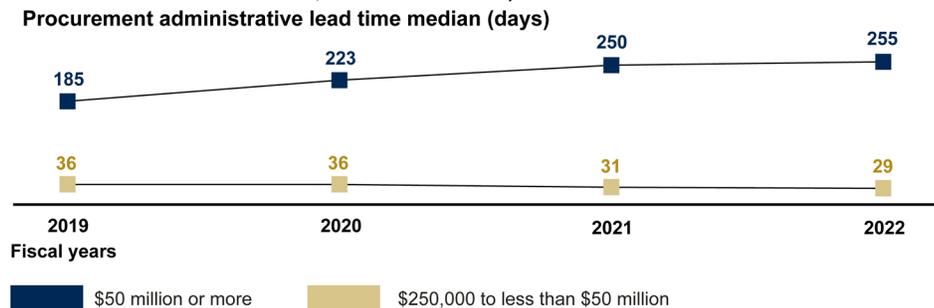
Source: GAO analysis of Federal Procurement Data System contract data. | GAO-24-106528

After its adoption of the current PALT definition, DOD updated guidance to encourage the use of practices intended to reduce award lead times. For example, DOD reissued its Source Selection Procedures memorandum in August 2022, adding streamlining techniques for procurement officials to consider. These techniques generally reflect practices to reduce PALT that were suggested in a January 2021 Office of Management and Budget memorandum.

While updating guidance is a positive step, DOD does not have insight into PALT at the department-wide level, in part for the following reasons:

- DOD officials do not regularly monitor PALT on a department-wide basis, such as by reviewing PALT data maintained by the defense components or discussing PALT changes with the components.

- A DOD tool, the PALT Tracker, implemented in February 2019 for the detailed tracking of PALT for procurements over $250 million in value, has data gaps, which limits its usefulness as a monitoring tool. Components reported that it is burdensome and duplicative of other systems they use.

DOD would benefit from engaging with the components to determine how existing procurement data can be leveraged to enhance DOD's visibility into PALT changes and whether the PALT Tracker is still needed. If the PALT Tracker remains necessary to supplement existing procurement data, then improvements are needed to ensure its data are complete.

United States Government Accountability Office