



# Highlights of GAO JIAC Reports

## Phase Two Report

On December 3, 2016, the Government Accountability Office (GAO) publicly released phase two of its investigation into the Department of Defense (DOD) Joint Intelligence Analysis Complex (JIAC), titled “JIAC: DOD Needs to Fully Incorporate Best Practices into Future Cost Estimates.” The report highlights key deficiencies in the DOD analysis of the JIAC, describes the cost estimate as “unreliable,” and recommends that “DOD update its future construction cost estimates for consolidating the JIAC at RAF Croughton to comply with best practices.”

- **The JIAC cost estimate is unreliable:** The GAO assesses that the Air Force’s cost estimate for the JIAC “did not fully meet cost estimation best practices” and finds that the JIAC cost estimate “does not reflect the characteristics of a high-quality estimate and cannot be considered reliable.” p. 11
  - “The associated Operation and Maintenance costs (e.g., family support costs like living allowances) were not included in the estimate. . . . [W]ithout fully accounting for life-cycle costs, management may have difficulty successfully planning and programming resource requirements for the JIAC consolidation and making sound decisions.” p. 12
  - “The first phase of the JIAC cost estimate did not identify the stage of the estimate; did not separate costs for labor, equipment, or material; and did not calculate prime and subcontractor profit by the weighted guidelines method, which are items listed in the sample checklist [provided in DOD guidance documents].” p. 15
- **DOD cut corners on analysis:** DOD officials told GAO that “the reviews of 2015 and 2016 were not conducted with the same level of rigor as a formal cost estimate.” p. 17
- **DOD analysis is inconsistent:** The GAO explains that “DOD’s multiple reviews of Lajes Field as an alternative location for the JIAC produced different cost estimates, because these reviews relied on different assumptions.” p. 21
- **DOD relied upon faulty data:** The Air Force housing analysis relied on decade-old information and an “off-base referral database,” but admits that the underlying data to support their claims “was dissolved during the personnel streamlining.” The Air Force did not account for the 1,693 houses currently available for rent on the island. p. 27
- **HPSCI uncovered new information since the GAO report was completed:** The DOD cost estimates described in the GAO review all appear to have included faulty assumptions regarding the available bandwidth of communications infrastructure in the Azores. The DOD never asked the local telecommunications providers if they could meet the JIAC requirements.



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## Phase One Report

On October 31, 2016, the Government Accountability Office (GAO) publicly released phase one of its investigation into the Department of Defense (DOD) Joint Intelligence Analysis Complex (JIAC), titled “DOD Partially Used Best Practices for Analyzing Alternatives and Should Do So Fully for Future Military Construction Decisions.” The report highlights key deficiencies in the DOD’s analysis:

- **DOD did not use best practices:** DOD’s Analysis of Alternatives for the JIAC only “partially met,” “minimally met,” or “failed to meet” 16 of 22 best practice criteria evaluated by GAO. p. 25
  - “. . . the body of work does not contain a documented description of the process that the AOA team used to add and remove alternatives over time—16 in total. . . Also, there is no documentation of the reasons why 15 of these alternatives were eventually considered not to be viable.” p.28-29
  - “DOD officials stated that the AOA team did not use best practices to guide the JIAC consolidation AOA process.” p. 34
- **DOD excluded cost of living from their analysis:** DOD cost estimates in the Analysis of Alternatives “provides no evidence that its estimates include costs such as additional housing, personnel costs, support personnel, or the base operations support, which according to JIAC officials will be needed to accommodate the increased logistical requirements the JIAC and its personnel would place on RAF Croughton’s infrastructure.” p. 29
  - “. . . given that some of the JIAC’s military, civilian, and contractor employees—and their dependents—will live off base, the AOA team may have benefitted from performing research on the commercial housing markets adjacent to the alternatives.” p. 28
- **DOD does not have best practices:** “DOD did not fully follow best practices in its AOA process. This is because—according to officials from the Office of the Secretary of Defense and Air Force Headquarters—DOD does not have a set of best practices for conducting analysis of alternatives for military construction project decisions.” p. 34
  - GAO’s analysis “identified shortcomings in DOD’s process. As officials noted, DOD does not have a set of best practices for conducting analysis of alternatives for military construction project decisions and the AOA team did not follow a particular piece of guidance or previously identified best practices as they carried out their analysis. As a result—especially in regard to documentation—DOD was not optimally positioned to explain its choice of RAF Croughton.”



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- The full phase two report is available on the GAO website [here](#).
- The full phase one report is available on the GAO website [here](#).