



**U.S. Department of the Interior  
Office of Inspector General**

# **ADVISORY REPORT**

## **INTERIOR DEPARTMENT ELECTRONIC ACQUISITION SYSTEM (IDEAS)**

**REPORT NO. 98-I-242  
FEBRUARY 1998**



# United States Department of the Interior

OFFICE OF INSPECTOR GENERAL  
Washington, D.C. 20240

FEB 10 1998

## MEMORANDUM

TO: The Secretary

FROM: Robert J. Williams *Robert J. Williams*  
Acting Inspector General

SUBJECT SUMMARY: Final Advisory Report for Your Information - "Interior  
Department Electronic Acquisition System (IDEAS)"  
(No. 98-I-242)

Attached for your information is a copy of the subject final advisory report. The objective of the review was to evaluate the Interior Department Electronic Acquisition System (IDEAS) in its early stages so that constructive suggestions could be provided to the Department of the Interior to ensure successful and cost-effective implementation of IDEAS.

Overall, we concluded that while several issues were identified during our initial review which could significantly impact the costs, benefits, and successful implementation of IDEAS, the Department has taken appropriate actions to address these issues.

Based on the Office of Acquisition and Property Management's response to the report's recommendation, we considered the recommendation resolved and implemented.

If you have any questions concerning this matter, please contact me at (202) 208-5745.

Attachment



# United States Department of the Interior

OFFICE OF INSPECTOR GENERAL  
Washington, D.C. 20240

E-IN-MOA-00 1-95

FEB - 6 1998

## ADVISORY REPORT

### Memorandum

To: Assistant Secretary for Policy, Management and Budget

From: Robert J. Williams *[Signature]*  
Acting Inspector General

Subject: Advisory Report on the Interior Department Electronic Acquisition System (IDEAS) (No. 98-I-242)

## INTRODUCTION

This report presents the results of our review of the development and implementation of the Interior Department Electronic Acquisition System (IDEAS). The objective of our review was to evaluate IDEAS in its early stages so that constructive suggestions could be provided to the Department of the Interior to ensure successful and cost-effective implementation of IDEAS. Overall, we concluded that while several issues were identified during our initial review which could significantly impact the costs, benefits, and successful implementation of IDEAS, the Department had taken appropriate actions to address these issues (see the Discussion section of this report).

## BACKGROUND

In 1989, the Department of the Interior completed a study (initiated in 1988) of existing bureau procurement systems which identified 11 automated procurement systems in six bureaus and found that four bureaus did not have automated procurement systems. The study also identified the following deficiencies in the Department's automated procurement systems: (1) bureau reporting to the Interior Procurement Data System was inaccurate, incomplete, and untimely; (2) the ability to transfer data from bureau procurement systems to bureau accounting systems and other administrative systems would require the development of multiple interfaces; (3) manual preparation and processing of requisitions, purchase orders, solicitations, contracts, and reports were labor intensive and inefficient; and (4) the lack of standardization in the procurement process had resulted in the development of multiple procurement systems. To address these deficiencies, the Department issued a Mission Needs Statement in 1989 and began to develop plans for an automated

Departmentwide procurement system, the Interior Department Electronic Acquisition System (IDEAS).

The IDEAS project is a major undertaking, with procurement managers and staff from each of the bureaus participating throughout the initiation and development phases. The Department assigned responsibility for overall project management to the Office of Acquisition and Property Management, within the Office of the Assistant Secretary for Policy, Management and Budget. The U.S. Geological Survey's Office of Procurements and Contracts was assigned responsibility for administering the contract, and the Geological Survey's Washington Administrative Service Center was assigned responsibility for providing technical management of the system. The conceptual framework of IDEAS was ambitious and included the requisitioning, small purchasing, and contracting functions and interfacing the procurement system with the financial and property systems, all of which were anticipated to be fully integrated within IDEAS to resolve the deficiencies identified in the 1989 study.

By December 1991, the Department had developed the functional requirements for IDEAS, having found that there was no automated procurement system available commercially or in the Federal Government that met all of the Department's needs. In September 1993, the Geological Survey awarded a contract to Price Waterhouse to implement IDEAS. CACI, Inc., a subcontractor, was to provide the software, which was proprietary. (Because the software was owned by CACI, any enhancement or other changes to the software had to be made by CACI, generally at additional cost to the Government.) The contract period included the base year (fiscal year 1994) and 9 option years, with total authorized funding of \$27.8 million.

On October 26, 1993, the President issued the memorandum entitled "Streamlining Procurement Through Electronic Commerce," which required executive agencies to establish, by September 1994, an initial electronic commerce capability that would enable the Federal Government and private vendors to exchange requests for quotations, price quotations, purchase orders, and notices of award through electronic data interchange. To meet the President's September 1994 milestone, the Department incorporated electronic commerce into the IDEAS project. In June 1994, electronic data interchange was simultaneously implemented with the IDEAS small purchasing system at five pilot locations: Bureau of Mines offices in Denver, Colorado, and Pittsburgh, Pennsylvania; U.S. Geological Survey offices in Denver and in Reston, Virginia; and the Minerals Management Service office in Herndon, Virginia.

Through May 1997, the Department had obligated about \$15.1 million on the IDEAS project, consisting of contract costs of about \$7.9 million and in-house costs of \$7.2 million. As of January 1997, IDEAS had been installed at approximately 80 sites in five bureaus: the

Bureau of Reclamation, the Minerals Management Service, the U.S. Fish and Wildlife Service, the Bureau of Land Management, and the U.S. Geological Survey.<sup>1</sup>

## SCOPE OF REVIEW

To accomplish our objective, we interviewed personnel involved in various aspects of the IDEAS project, including system users and those involved in planning, developing, and implementing the system.<sup>2</sup> We also participated in demonstrations of IDEAS operations; observed the use of IDEAS in processing procurement actions; and independently tested IDEAS to verify the existence of deficiencies, inadequacies, or undesirable characteristics that were identified by IDEAS users during our interviews. In addition, we reviewed the documentation for IDEAS, including the training manual, the users' manual, the system administrator's manual, and the data dictionary, to assess their adequacy.

Our initial review covered the period from project study initiation in 1988 through implementation as of March 1996. Our conclusions on the current status of the IDEAS project are based, in part, on discussions held with Office of Acquisition and Property Management officials in May, June, and September 1997 and on information obtained from these officials.

We reviewed the Secretary's Annual Statement and Report to the President and the Congress for fiscal years 1992 through 1995, which is required by the Federal Managers' Financial Integrity Act, and the Department's Accountability Report for fiscal year 1996, which includes information required by the Act, to determine whether any reported weaknesses were directly related to the objective and scope of our review. We found that the Interior Procurement Data System was reported as a material weakness in all 5 years because it contained data that were incomplete and inaccurate. The 1996 report stated that this material weakness would be corrected by September 1997. In addition, the Geological Survey, in a fiscal year 1995 alternative management control review, said that "the deferral of System Decision Paper number 3 until 1996 to allow more time to test the IDEAS Contracts Module" was a potential weakness associated with IDEAS. The Departmental Manual and Departmental implementing guidance on system development life-cycle management require Decision Paper 3 to be completed before system implementation.

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<sup>1</sup>Full installation of IDEAS, consisting of the requisitioning, small purchasing, and contracting subsystems, was completed at three Minerals Management Service sites and three Bureau of Mines sites (the Bureau has since been abolished). IDEAS was partially installed (either the contracting and small purchasing or small purchasing and/or requisitioning subsystem) at the other 74 locations.

<sup>2</sup>We interviewed personnel within the following Departmental organizations who were involved in planning, developing, and implementing IDEAS: the Office of Acquisition and Property Management, the Office of Information Resources Management, the IDEAS Project Management Committee, the Software Advisory Board, the Operational Capabilities Demonstration Team, and the Technical Proposal Evaluation Committee.

## **PRIOR AUDIT COVERAGE**

The General Accounting Office has not issued any reports on IDEAS during the past 5 years. However, the Office of Inspector General has issued two audit reports on the pricing proposal for IDEAS submitted by Price Waterhouse as follows:

- The January 1993 report "Review of Initial Pricing Proposal Submitted by Price Waterhouse Under Request for Proposal No. 7890" (No. 93-E-391) stated that \$17,298 of the \$3.32 million of proposed direct labor costs was questioned because the amount was unsupported and the project manager's direct labor rate was above an equitable ceiling rate. The contracting officer subsequently negotiated a lower direct labor rate. Accordingly, we considered the recommendation resolved.

- The February 1993 report "Review of Indirect Cost Rates Submitted by Price Waterhouse Under Request for Proposal No. 7890" (No. 93-E-553) stated that, in some cases, the proposed indirect cost rates were significantly lower than the firm's forecasted rates. Therefore, we recommended that the recovery of indirect costs be limited to an accepted or negotiated ceiling for the indirect cost rates. The contracting officer negotiated a ceiling for the indirect cost rate. Accordingly, we considered the recommendation resolved.

## **DISCUSSION**

During our initial review of the Interior Department Electronic Acquisition System (IDEAS), we concluded that the Department, before it implemented the system, needed to address deficiencies in the system, consider other alternatives, and conduct the critical review of the project that was required by the Departmental Manual and Departmental implementing guidance on system development and life-cycle management. After we discussed our concerns with Acquisition and Property Management officials, these officials took appropriate actions during our review to address these issues, as discussed in the following paragraphs.

### **Initial Review of IDEAS**

In our initial review, we planned to evaluate the development and implementation of IDEAS in its early stages so that we could provide the Department with timely information to help ensure that this automated procurement system was implemented in a successful and cost-effective manner. During that review, we identified several factors that could impact the successful implementation of IDEAS and the costs and benefits of the system. Overall, we concluded that the system had a number of deficiencies, some of which had been brought to the attention of project management officials by bureau users and/or the Washington Administrative Service Center prior to and during the course of our review. Specifically, the system was difficult to use and not user friendly; had limited word processing capabilities;

required numerous enhancements, such as interfaces with the financial and property management systems and better data aggregation capabilities for generating reports; did not include Windows-based software; and did not have adequate user and training manuals. These factors contributed to a high level of user dissatisfaction with IDEAS.

We also identified other factors that impacted system use and implementation. For example, we found no reliable cost and time estimates for overall system development and implementation, a declining volume of procurement transactions, recent downsizing of the Department through streamlining and restructuring of organizations (which could impact the need for IDEAS at all planned locations) and uncertainties regarding future funding and staffing, and deficiencies in the Federal Government's electronic commerce network that supports IDEAS. Further, we identified other procurement systems that were not available when the IDEAS contract was awarded but which were available at the time of our review and merited consideration before the Department committed to the full development and implementation of the Price Waterhouse version of IDEAS. We briefed Departmental officials on the preliminary results of our review and expressed our concerns about IDEAS shortcomings and costs and the need for a life-cycle review to address these issues. (Specific information on the impact factors identified during our initial review of IDEAS is included in Appendix 1.)

## **Critical Review**

Large system acquisition projects generally require years to complete, and conditions often change during the process that could impact the feasibility, cost, and potential benefits of a project. Accordingly, continuous evaluation of a project is essential to ensure that resources are spent effectively. Federal Information Processing Standards provide general guidelines for documenting and reviewing automated system development. Specifically, Standards 3 8 and 64 state that managers should be provided technical documents to review "at the significant development milestones" in order to determine that "requirements have been met and that resources should continue to be expended." In addition, the Department had issued guidance on life-cycle management in the Departmental Manual (376 DM 10) and in implementing guidance such as the Project Manager's Guide to Application Life-Cycle Management. The Departmental Manual and the Guide required that a system decision paper be prepared by the project team and presented by the Project Manager to the Project Management Committee for review and approval at each of four critical milestones to provide management with the information needed to make an informed decision on whether to continue with the next phase of the project. Although the Department prepared the first two of the required decision papers after the concept development stage (Decision Paper 1) and the system design stage (Decision Paper 2) were completed, it did not prepare the

decision paper (Decision Paper 3) that was required after completion of the system construction/acquisition and user acceptance stage.<sup>3</sup>

The purpose of preparing a System Decision Paper 3 is to ensure, prior to placing the system in operation, that: (1) the mission needs and project scope are still valid and have not changed significantly; (2) computer programs and data bases have been fully developed, documented, and tested; (3) the life-cycle schedule and estimated costs are still realistic and acceptable; (4) the system is cost effective and affordable and is still the best acceptable solution; (5) the developed system satisfies the design and functional requirements; and (6) planning for implementation, is adequate, including manpower and training documentation, logistics, readiness, operational considerations, security, and integration with existing operational systems.

We were aware that development and implementation of IDEAS was well under way at the time of our initial review, the Department had invested substantial time and resources in the IDEAS project, the Department's efforts to implement electronic commerce had gained prominence for the Department in the Federal electronic commerce community, and the Office of Management and Budget had expressed satisfaction with the Department's progress. However, because the analysis required for System Decision Paper 3 was not prepared, there was insufficient evidence available for us, or the Department, to determine whether IDEAS represented the best solution for the Department's procurement needs and whether IDEAS was affordable. Accordingly, we concluded that the Department, before it committed to full implementation and further development of the system, needed to expeditiously complete a review of IDEAS which would address: (1) the purposes of Decision Paper 3 and (2) factors that we identified which impacted the costs and benefits and the potential success of the project. We believed that completion of this review would provide the information needed to determine whether IDEAS represented the best solution for the Department.

## **Current Status of IDEAS**

In response to our concerns and the concerns expressed by users and bureau officials, the Department awarded a contract to the Logistics Management Institute in March 1996 to evaluate IDEAS. The contractor's two January 1997 reports confirmed most of the IDEAS shortcomings and deficiencies identified by our review, identified other shortcomings, and presented suggestions and options for addressing these issues. In August 1996, the Department also convened an IDEAS Contracts Module Workgroup to identify the needs of bureau contracting personnel. In January 1997, the Department completed an evaluation of the IDEAS project that, according to the Department, was conducted in accordance with the

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<sup>3</sup>The fourth decision paper is required after system implementation (during the maintenance stage) to determine whether system revision is needed.



requirements of the Information Technology Reform Act of 1995.<sup>4</sup> The evaluation, which considered the results of the reviews conducted by the Logistics Management Institute and the Workgroup, identified two alternatives for proceeding with the development of IDEAS:

- Alternative 1. Modify the IDEAS contract to include Departmentwide license rights to CACI's Windows software, and continue to enhance that Windows product.
- Alternative 2. Acquire a Departmentwide license to obtain software that is Windows based and currently meets user expectation of a Windows product.

Based on the evaluation and a review of other currently available procurement systems, the Department issued a decision document in January 1997 which recommended that the Department endorse Alternative 2 and seek another contractor that could satisfy the Department's existing procurement system requirements. Since reaching that decision, the Department has moved expeditiously, with full involvement of bureau users, to seek another vendor and award a contract as follows:

- In February 1997, the Department issued a request for quotations to the vendors on the General Services Administration's Schedule E (vendors that offer automated procurement systems); received proposals from five vendors; and selected two of the vendors to demonstrate their software based on the recommendations of a Technical Evaluation Committee, which comprised members from four bureaus and the Office of Acquisition and Property Management.

- In March 1997, the vendors conducted product demonstrations, and users from all bureaus and offices were invited to attend and evaluate the vendors' products. Based on the results of the demonstrations and evaluations, the Department determined that American Management Systems' Procurement Desktop software was the better product at the lower cost.<sup>5</sup> A contract was awarded to American Management Systems for \$863,755 that provided for system testing of the software at the Washington Administrative Service Center offices in Denver and Washington, D.C., and at three bureau operational pilot sites at the Bureau of Reclamation's Coulee Power Office in Grand Coulee, Washington; the Fish and

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<sup>4</sup>The need for an ongoing evaluation of information systems was reemphasized by the Information Technology Reform Act of 1995 (effective on August 8, 1996), which required agencies to provide information to the Office of Management and Budget that explains the basis for selecting the information technology systems, the benefit or "return on investment" to be received from those systems, the methods and tools used to measure the return, and the specific and quantifiable data that have been gathered to support the agency's conclusions. The Act also required agencies to have supporting data to demonstrate that they are continuously and objectively evaluating past choices to determine whether those choices are still valid. Further, the Act required the Office of Management and Budget to review agency submissions made during the budget process and to consider the data in allocating funds for information technology.

<sup>5</sup>The cost was based on the requirements identified in the request for quotations. The cost of required enhancements could not be determined for either vendor at that time.

Wildlife Service's Regional Office in Hadley, Massachusetts; and the Geological Survey's headquarters office in Reston.

- In June 1997, the Chief of the Washington Administrative Service Center issued a pilot implementation and system test report which stated that the software met the users' expectations of a Windows product and identified software issues that needed to be addressed. The report also stated that a list of the required software corrections was being sent to the contractor. Based on the test results and the recommendations from the bureaus, the Department decided to award a contract by the end of fiscal year 1997 to American Management Systems.

We recognize that technological advances, a decentralized environment for system implementation, budget restrictions, and bureau organizational changes have impeded the Department's progress in accomplishing its objective to acquire a Departmentwide automated procurement system. We are encouraged by the Department's recent efforts to reevaluate its acquisition of a Departmentwide automated procurement system and to seek a procurement system that better meets users' needs. However, we believe that the Department, having invested a substantial amount of funds and resources on a prior system that did not adequately meet user requirements, should continuously evaluate the new system to ensure that it provides needed functional requirements, satisfies user needs, and meets funding and milestone completion dates.

## **Recommendation**

We recommend that the Director, Office of Acquisition and Property Management, develop a detailed implementation plan for IDEAS, including detailed cost estimates and milestone dates; periodically evaluate the development and implementation of IDEAS to ensure that continuation of the system is justified, as required by the Information Technology Reform Act of 1995; and ensure continuance of the practice of encouraging user involvement and input throughout the development and implementation stages.

## **Office of Acquisition and Property Management Response and Office of Inspector General Reply**

In the January 15, 1998, response (Appendix 2) to our draft advisory report from the Director, Office of Acquisition and Property Management, the Office concurred with our recommendation and identified the actions taken to implement the recommendation. Based on the response, we consider the recommendation resolved and implemented.

Since the report's recommendation is considered resolved and implemented, no further response to this report is required (see Appendix 3).

The legislation, as amended, creating the Office of Inspector General requires semiannual reporting to the Congress on all audit reports issued, the monetary impact of audit findings, actions taken to implement audit recommendations, and identification of each significant recommendation on which corrective action has not been taken.

We appreciate the assistance of personnel at the Office of Acquisition and Property Management and the Geological Survey's Washington Administrative Service Center in the conduct of our audit.

## **FACTORS THAT IMPACTED COSTS, BENEFITS, AND POTENTIAL SUCCESS OF IDEAS**

During our initial review, we identified system and other factors that impacted the successful implementation of IDEAS and the costs and benefits of the IDEAS project. These factors contributed to the Department of the Interior's decision to reconsider the original Price Waterhouse version of IDEAS.

### **Design and Use Factors**

**User Dissatisfaction.** Most of the users we interviewed expressed dissatisfaction with the original IDEAS system, stating that it was “inefficient” and “cumbersome to use”; did not have adequate system documentation such as users’ manuals, training manuals, or a data dictionary; did not meet many of the major objectives identified for IDEAS, including interfaces with the financial and property systems and centralized reporting capabilities; and required numerous enhancements, including development of Windows-compatible software. Users also said that the original system was “too old” and “inflexible” and that their existing systems better served their needs.

**Document Generation.** IDEAS did not have a modem word processing package that included all of the features needed to produce procurement documents. The contract clause selection process was difficult to use, and clauses could not be modified. As a result, some users were preparing contract modifications manually and sending copies to vendors by mail or facsimile. In addition, IDEAS was not capable of processing the Small Business Administration's Section S(a) contracts.

**Data Aggregation.** IDEAS data transmitted from the various participating sites could not readily be aggregated for reporting purposes because the sites were not electronically linked. As a result, reports had to be prepared separately at each site, transmitted to a region and/or bureau headquarters office for consolidation, and transmitted to the Departmental offices for further consolidation to produce Departmental reports.

**System Documentation.** Resource materials such as users’ manuals, training manuals, and the data dictionary were not well organized and did not provide details on how to (1) perform procurement actions, (2) solve problems encountered in using the system, or (3) move among the many screens in IDEAS.

**Reporting Capabilities.** Although IDEAS contained an ad hoc reporting feature, the IDEAS report generator limited the user to a single columnar format; thus, programming skills were needed to produce a more comprehensive or sophisticated report. Also, IDEAS reports generally could not be reviewed on-screen to check the accuracy or the size of the report before it was printed.

**Document Processing.** Users reported that with IDEAS, document generation often took longer than through the automated and/or manual processes which the bureaus used before IDEAS. Also, a study conducted by the Department in December 1995 found that procurement actions conducted through IDEAS electronic commerce often took longer and that products were frequently less satisfactory than similar actions conducted through the existing manual methods.

**System Controls.** IDEAS did not contain adequate system controls to prevent or detect unauthorized actions during the document routing and review process and after approval of the procurement. The system also did not provide a sufficient audit trail to determine when and by whom information in the system was changed or that a change had been made, did not require the routing and approval of a requisition by a procurement official before it was processed by the procurement office (requisitions that were disapproved could still be submitted to procurement), and allowed an employee who prepared a requisition to modify the routing list at any time (for example, the name of the reviewer who disapproved a requisition could be removed from the routing list).

**Progress on Deficiencies and Enhancements.** Although progress was made in correcting system deficiencies, most of the enhancements requested by the users and/or identified by the Geological Survey's Washington Administrative Service Center either had not been developed or had not been scheduled for development at the time of our initial review. As of January 1996, about 230 enhancements had been identified, but only 3 of the 25 highest priority enhancements had been scheduled for implementation. Because time frames and development costs for the enhancements had not been established, the time frames for implementing and the affordability of the enhancements were not known.

**Data Input.** The number of screens and keystrokes required by the system, the complexity and lack of flexibility in processing an action through the numerous screens, and the amount of time it took to input the data adversely affected user satisfaction and productivity.

## Cost and Benefit Factors

**Development and Implementation Costs.** The Department had not developed a comprehensive plan for full system implementation; thus, the cost of full implementation had not been determined. The cost of IDEAS initially was estimated to be about \$10.9 million over 9 years, but the contract with Price Waterhouse provided up to \$27.8 million over 10 years. This increase was due, in part, to the addition of the electronic commerce capability.

**Declining Volume of Procurement Transactions.** The estimated number of procurement transactions to be processed through the system decreased significantly as a result of the Federal Acquisition Streamlining Act of 1994. The Act increased the small purchase threshold from \$25,000 to \$50,000 (and up to \$100,000 for procurement sites that had electronic commerce), thus reducing the number of potential contract actions. The Act also allowed credit card purchases of \$2,500 or less to be made without competition and without involving procurement personnel, thus reducing the procurement office work load substantially. The reduction in procurement activity could impact the number of locations where implementation of IDEAS would be cost effective.

**Downsizing and Reorganizing.** The Department has undergone significant reorganizations, downsizings, and budget reductions. For example, the Bureau of Mines was abolished after it had implemented IDEAS at an estimated cost of over \$180,000. Also, the Office of Surface Mining Reclamation and Enforcement was reorganized and downsized, the National Biological Service was incorporated into the U.S. Geological Survey, and some bureaus had substantial reductions in their operating budgets.

**Electronic Commerce.** The Federal Government's computer acquisition network, FACNET, which supports the IDEAS electronic commerce component, experienced technical problems that resulted in some data being lost or erroneously changed during processing. In addition, only about 1,300 of the approximately 200,000 vendors that conduct business with the Government had registered with FACNET's central vendor registration database (all Government vendors were expected to register regardless of whether they would be using electronic commerce), which substantially reduced the potential benefits of electronic commerce through FACNET. Alternatives to FACNET, such as the use of the INTERNET and message-based transfers (for example, electronic mail protocols), may be more efficient and effective.

**Changing Technology.** At the time of the award of the IDEAS contract in September 1993, DOS (disc operating system), rather than Windows, was the standard

operating system. However, since award of the initial IDEAS contract, the bureaus' procurement offices have changed to a Windows environment, which provides more user-friendly processing. CACI had not developed a Windows version of IDEAS at the time of our review.

**Available Options.** While IDEAS may have represented a reasonable approach for conducting the Department's procurement and electronic commerce activities at the time of our initial review, the options for conducting these activities have expanded considerably since the award of the initial IDEAS contract. For example, in March 1995 (18 months after the award of the Price Waterhouse contract), the General Services Administration established Schedule E, which listed 21 companies that were offering electronic commerce capabilities. Some of these companies operated systems that were used by some Departmental bureaus. Other options were available, including adopting a system that was being developed by other agencies (the Environmental Protection Agency, the Department of Energy, the Department of Transportation, and the Department of Housing and Urban Development were developing their own systems either in-house or under contract) or contracting for the development of a new system.



# United States Department of the Interior

OFFICE OF THE SECRETARY  
Washington, D.C. 20240

**JAN 15 1998**

## Memorandum

To: Robert J. Williams  
Assistant Inspector General for Audits

From: Paul A. Denett *Paul A. Denett*  
Director, Office of Acquisition and Property Management

Subject: Response to Draft Advisory Report on the Interior Department Electronic Acquisition System (IDEAS), Assignment No. E-IN-MOA-00 1-95

This memorandum responds to the Draft Advisory Report on IDEAS which we received December 2, 1997, and in particular the Office of Inspector General's recommendations. We appreciate the extensive effort your team expended in working with us to improve the management of the IDEAS project and enhance its likelihood for success. The advisory report accurately reflects the early project issues and the corrective actions we have taken, based in part on extensive customer input and your own contribution.

The primary recommendations of the OIG were for this office to develop a detailed implementation plan for IDEAS, including detailed cost estimates and milestone dates; periodically evaluate the development and implementation of IDEAS to ensure that continuation of the system is justified, as required by the Information Technology Reform Act of 1995; and ensure continuance of the practice of encouraging user involvement and input throughout the development and implementation stages.

With the acquisition of the IDEAS-Procurement Desktop (IDEAS-PD) software which is currently in the process of being implemented, the Washington Administrative Service Center (WASC) has been providing bi-weekly written updates to this office outlining the progress of the Bureau implementations. The report outlines the critical milestones, achievements, and issues affecting implementation, and each week meetings are conducted between the WASC and PAM to discuss the report as well as project issues. Through the reporting and meeting procedures in place, we have been kept apprised of the progress of the IDEAS project. Attached is a summary implementation plan covering all bureaus. Detailed plans for each bureau which outline the events leading up to the production stage of IDEAS are available for your review.

The cost estimates for each bureau implementation are provided as a separate attachment. The WASC prepares a work order to the contractor, American Management Systems (AMS) covering the activities for the bureau implementations and AMS responds with a cost estimate. The progress of the implementations and funding are discussed with AMS at bi-weekly status meetings.



The IDEAS implementations are scheduled to be completed at the end of Fiscal Year 1999. We recognize it is important that the progress of IDEAS and user satisfaction be continually monitored. Therefore, I have requested the WASC to conduct a major review of IDEAS in July, 1998. By that time, we expect that IDEAS will be implemented at the major contracting and purchasing offices of the U. S. Geological Survey, Minerals Management Service, Office of Surface Mining, Office of the Secretary, and Bureau of Reclamation, and partial implementations at the Fish and Wildlife Service and Bureau of Land Management. Any adjustments to the schedule or critical milestones will be made based upon the outcome of the review.

The IDEAS Project Management Committee meets approximately monthly to discuss the IDEAS project, and the IDEAS Departmentwide User Group meets quarterly, with the last meeting held in October, 1997. Issues concerning the IDEAS project are discussed openly with the bureaus and end user feedback was a critical factor in our decision to change to the Procurement Desktop software. As the IDEAS-PD user base expands, we expect that the IDEAS Departmentwide User Group will become more active in contributing to the continuing evolution of the software. Presently, the project emphasis has been on implementations. We will continue to actively seek customer input and plan to participate strongly in a Governmentwide PD user group.

As part of this Office's effort to keep the OIG informed of the progress of IDEAS, we would welcome the opportunity to meet with your staff on a regular basis. Please contact me if you have any questions concerning this response.

#### Attachment

cc: Robert Lamb, Deputy Assistant Secretary - Budget and Finance  
R. Schuyler Leshner, Deputy CFO  
Daryl W. White, Acting CIO

## IDEAS-PD Implementations

1/5/98

ID	Task Name	Start	Finish	97		1998				1999			
				Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr3	Qtr4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
1	Pilot Site Implementations	4/28/97	6/6/97										
5	DOI Full License Acquisition	5/15/97	7/31/97										
6	Standard RDBMS/Technical Architecture Decl	5/15/97	8/11/97										
7	DOI required Software Enhancements	5/1 5/97	12/31/97										
8	Data Conversion Planning/Programs	6/9/97	12/31/97										
9	EDI/Gateway Cutover	6/9/97	1/30/98										
10	Bureau Implementation Funding	6/9/97	10/1/97										
11	FCC Planning & Implementation	5/30/97	12/1 9/97										
12	OSM Planning & Implementations	8/11/97	1/16/98										
14	MMS Migration	7/2/97	5/22/98										
16	FWS Migration/Implementation	6/16/97	8/28/98										
18	USGS Full Migration	7/15/97	4/30/98										
20	BOR Migration	10/15/97	6/26/98										
22	NPS Implementation	1/1/98	9/30/99										
26	BIA Implementation	12/3/97	12/6/99										
29	BLM Implementation	9/8/97	4/28/99										
32	ISC/OAS Implementation	11/17/97	3/19/98										

Task

Summary

Rolled Up Progress

Progress

Rolled Up Task

Milestone

Rolled Up Milestone

**STATUS OF ADVISORY REPORT RECOMMENDATION**

<b>Finding/ Recommendation Reference</b>	<b>Status</b>	<b>Action Required</b>
1	Implemented	No further action is required.

**ILLEGAL OR WASTEFUL ACTIVITIES  
SHOULD BE REPORTED TO  
THE OFFICE OF INSPECTOR GENERAL BY:**

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Sending written documents to:

Calling:

**Within the Continental United States**

**U.S. Department of the Interior**  
Office of Inspector General  
**1849 C Street, N.W.**  
**Mail Stop 5341**  
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(202) 208-5300

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1-800-354-0996

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Office of Inspector General  
Eastern Division - Investigations  
1550 **Wilson** Boulevard  
**Suite 410**  
Arlington, Virginia 22209

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North Pacific Region  
238 Archbishop F.C. Flores Street  
**Suite 807, PDN Building**  
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