



TECHNICAL BRIEF · BASED ON GAO-22-104070 · DOW

DOW APPLICATION RATIONALIZATION WITHOUT A GOVERNANCE STRUCTURE

2 months

TIME BETWEEN CHARTERING (JANUARY 2021) AND DISBANDING (MARCH 2021) OF
DOW'S APPLICATION RATIONALIZATION WORKING GROUP

GAO found that DoW's application rationalization effort lacked a long-term plan with measurable goals, milestones, and timelines. Its working group was chartered in January 2021 and disbanded two months later. Three GAO recommendations on governance, objectives, and accountability show no closure.

THE FINDING

In June 2022, GAO published [Cloud Computing: DOD Needs to Improve Workforce Planning and Software Application Modernization](#) (GAO-22-104070). It found that the application rationalization effort at DoW (formerly DoD), the review and consolidation of software applications, lacked a long-term plan with measurable goals, milestones, and timelines.

OMB's 2019 Cloud Smart strategy told every agency to rationalize its application portfolio to drive cloud adoption. Against step one of the CIO Council's 2019 Application Rationalization Playbook, GAO scored DoW this way as of April 2022: DoW had addressed scope and only partly addressed governance. It had not addressed requirements or data collection.

Three of GAO's nine recommendations cover this gap. GAO told DoW to establish an enterprise rationalization governance structure and document its requirements, including the data needed for each application. It also told DoW to set measurable objectives, milestones, and timeframes, and to hold all components accountable for meeting them. DoW partially concurred with each.

The other six recommendations cover cloud workforce, customer experience, change communication, and cost data. This brief leaves them aside.

WHY IT KEEPS HAPPENING

The pattern predates the report. A December 2018 DoD OIG report (DODIG-2019-037) found that three military services did not consistently rationalize their applications. GAO reports that the DoW CIO then took about 16

months to issue guidance. That guide, dated April 2020, was voluntary, and officials said they did not want to interfere with components that ran their own processes.

The governance bodies did not last. An informal working group formed in summer 2020 and was chartered in January 2021. It was disbanded in March 2021. A successor, the IT Portfolio Management Working Group, began meeting that month and still had no charter as of April 2022.

GAO also found that the guidance covered two of four IT mission areas, Enterprise Information Environment and Business. Officials tied the delays to a realignment after Congress eliminated the Chief Management Officer position in January 2021, and said timelines would stretch by a year or more.

GAO concluded that it is unclear who within the department is responsible for implementing application rationalization, even though the CIO is charged with reducing IT duplication. A January 2021 memo left mission leads responsible for their own portfolios. DoW also had not decided what additional data it needed from each application.

WHY IT MATTERS TO YOUR BID

The Army Audit Agency reported in March 2022, as GAO cites it, that the Army did not rationalize 44 percent of the systems it reviewed. Those systems carried \$915.9 million in programmed costs. Evaluators who read GAO-22-104070 have that number in hand.

For a component cloud migration, modernization, or IT portfolio task, the finding sets a bar for the technical volume. An offeror that proposes moving applications without showing how it decided which ones should move reads as repeating the gap. Understanding of the requirement means knowing that the component's mission lead, not an enterprise body, makes the keep, move, or retire call.

Expect evaluators to look for three things: the data fields captured per application, the criteria behind each disposition, and a retirement plan with an owner. A proposal that supplies all three gives the government decision records it can sign. One that supplies none leaves the contracting officer's representative to invent the rules mid-performance.

TECHNICAL APPROACH

The method below comes from Avalon's [IT Modernization service](#). It describes how the work is done at the methodology level, at the scale of one component's portfolio rather than the whole department at once. DoW and its components set rationalization policy and own every keep, fix, replace, or retire decision.

- 1. Score the portfolio from a per-system record.** Inventory each system in scope and map its dependencies. Then score technical debt and risk on age, language, staffing depth, end-of-life exposure, security posture, and mission criticality, using code and architecture analysis where source is available. This fills the data-per-application gap in one consistent format.
- 2. Assign each disposition with the reasoning written down.** Place every system using Gartner TIME (tolerate, invest, migrate, eliminate) combined with the 6R/7R patterns: rehost, replatform, refactor, rearchitect, replace, retire, retain. The output is a disposition matrix with a one-page rationale per system, so the decision survives review by the component and by an inspector general.
- 3. Sequence the roadmap with a funding strategy.** Order the dispositions into increment-sized phases against dependencies and the funding source, whether appropriated funds, a working capital fund, or a Technology Modernization Fund proposal. Assess the authorization impact of each move up front: a changed system boundary triggers NIST SP 800-37 steps, so the roadmap carries a reassessment milestone for each affected system.

4. **Close each retirement with a decommission report.** For every system marked for retirement, document license termination, infrastructure release, and data archived under records schedules, then quantify the recurring cost eliminated. A system counts as done only when the legacy system is verifiably off.

The output feeds whatever governance body DoW charts. This work doesn't design that body, and it doesn't deliver an ATO. Control assessment and authorization stay with the agency's assessors and authorizing official.

WHAT "FIXED" LOOKS LIKE

GAO's page lists no closure evidence for these three recommendations, so the targets below are Avalon's, not GAO's. DoW's own responses named what it planned: improved IT portfolio management processes, additional guidance, and defined responsibilities, all by October 2024.

- A charter that names one owner with authority across components, and a decision record for each rationalization call.
- Written requirements for rationalization, including the data fields every application record must carry.
- Objectives with dated milestones, reported by each component on a set cycle.
- A decommission report for every retired application, so a milestone counts only when the legacy system is shut off and its license is terminated.

STATUS CHECK

OPEN GAO's product page, read October 9, 2026, shows that DoW partially concurred with recommendations 4, 5, and 6 and set October 2024 as the target for each. GAO said it will continue to monitor. The page shows no closure for any of the three and carries no update date for them.

TEAMING FIT

NAICS	541512, 541511
AVALON'S SUB ROLE	Portfolio inventory and risk scoring, documented keep-fix-replace-retire disposition, and sequenced roadmap with decommission reports for one component's portfolio under the prime's IT portfolio or cloud migration task
SMALL-BUSINESS STATUS	Small business; HUBZone (in progress)
LIKELY VEHICLES	GSA MAS (SIN 54151S IT Professional Services); GSA OASIS+; GSA Alliant 3

If a DoW component's cloud migration, modernization, or IT portfolio task is in your capture plan, Avalon teams as the sub that turns an application list into scored dispositions, a dated roadmap, and decommission reports the component's mission lead can sign.

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This brief analyzes publicly released oversight reports. It does not describe work Avalon performed for any agency named.