

Department of Homeland Security **Office of Inspector General**

Federal Protective Service's Exercise of a
Contract Option for the Risk Assessment and
Management Program

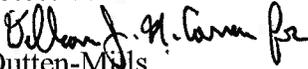




OFFICE OF INSPECTOR GENERAL
Department of Homeland Security

August 31, 2012

MEMORANDUM FOR: L. Eric Patterson
Director
Federal Protective Service

FROM: 
Deborah Outten-Mills
Acting Assistant Inspector General for Inspections

SUBJECT: *Re-issuance of Inspection Report OIG-12-67, FPS'
Exercise of a Contract Option for the Risk Assessment and
Management Program*

I am writing to inform you that the Department of Homeland Security Office of Inspector General (OIG) has recalled the subject report and is now re-issuing it to modify the statement of compliance with *Quality Standards for Inspections (QSI)*. We took these actions because it recently came to our attention that a family member of a senior OIG official was employed by an entity associated with this inspection.

To ensure that this impairment to our independence in appearance did not affect our findings and conclusions, we thoroughly re-reviewed our work on this inspection, as well as the results. Through this re-review, we verified that the impairment did not affect our results; our evidence is sound and fully supports our findings and conclusions. Therefore, we are re-issuing this report and re-posting it on our website. The report is unchanged except for the statement of compliance with QSI found on page 6 of Appendix A – Purpose, Scope, and Methodology.

We remain committed to assisting the Department in improving its effectiveness and efficiency to better carry out its mission, and we appreciate your support of our work. Please do not hesitate to call me at (202) 254-4015 if you have any questions or concerns, or your staff may contact William McCarron, Chief Inspector, at (202) 254- 4206.

Attachment

Background

The mission of the Federal Protection Service (FPS) is to render more than 9,000 federal facilities owned or leased by the General Services Administration (GSA) safe and secure for federal employees, officials, and visitors. FPS employs 1,225 federal staff, including various law enforcement and support personnel, and utilizes 15,000 contract security guards. The *Homeland Security Act of 2002* transferred FPS from GSA to the Department of Homeland Security (DHS). In October 2009, DHS moved FPS from U.S. Immigration and Customs Enforcement (ICE) to its National Protection and Programs Directorate (NPPD).

In August 2008, ICE competitively awarded and FPS funded a \$21 million, 7-year contract (1 base year and 6 option years) to a company to develop and maintain the Risk Assessment and Management Program (RAMP). RAMP was intended to be a next generation risk assessment tool to enable FPS to:

- Assess and analyze risk posed to federal facilities and mitigate those risks by recommending and tracking countermeasures; and
- Manage post inspections, guard contracts, and individual guard certification compliance.

In July 2011, the Government Accountability Office (GAO) reported that RAMP was over budget, behind schedule, and could not be used as intended. According to the GAO report, several factors contributed to RAMP deficiencies. Specifically, FPS changed the original requirements, which caused the contractor to add additional resources; FPS did not conduct user testing as part of development; and ICE did not complete contractor performance evaluations.

In an attempt to meet deployment milestones, FPS expended all \$21 million of obligated funds by 2010, 5 years sooner than expected. In May 2010, ICE awarded the original developer a second contract, called a logical follow-on, to continue RAMP development and prepare for the transition to NPPD.¹ According to ICE, this contract was awarded without full and open competition because it was logistically impossible to compete and award a contract and allow time for a new contractor to create and train a team capable of continuing the development schedule while performing operations and maintenance prior to the expiration date of the original RAMP contract. The follow-on contract included a base year and 1 option year with a total projected cost of \$25 million.

Results of Review

Notwithstanding the previous overspending that GAO identified, FPS minimized some costs of RAMP by stopping development and paying the contractor only to operate and maintain the program. As a result, FPS will save the government at least \$13.2 million

¹ A logical follow-on is an exemption to the fair opportunity process described at 48 CFR 16.505(b)(2)(iii), recodified at 48 CFR 16.505(b)(2)(i)(C).

(see table 1). However, FPS has not determined how it will maintain data in RAMP or transfer critical data out of RAMP after June 2012. FPS risks incurring additional expenditures, including paying for the transfer of useless data, as well as losing critical data, if it does not act soon.

Table 1: Obligated, Revised, and Unspent Funding for the RAMP Follow-on Contract

	Base Year	Option Year	Total
Obligated Funding	\$12,499,832	\$12,498,779	\$24,998,611
Revised Funding	\$9,154,961	\$2,619,836	\$11,774,796
Unspent Funding	\$3,344,871	\$9,878,943	\$13,223,815

FPS Ceased RAMP Development Because It Was Not Cost Effective and Did Not Fulfill Its Original Goals

FPS ceased development of RAMP in May 2011 because RAMP was not cost effective and did not fulfill its original goals. GAO reported that RAMP’s actual costs were almost three times more than the \$21 million original development contract amount. GAO also determined that FPS could not use RAMP to complete facility security assessments or reliable guard inspections. The FPS decision resulted in unspent funds of \$3.3 million for the base year of the follow-on contract (see table 1).

FPS officials told us that the FPS Director reached this decision after he, senior FPS officials, program managers, and end users held a series of meetings at headquarters and regional offices to discuss problems with RAMP. These meetings occurred from October to December 2010. In late March 2011, FPS began exploring options for developing a new version of RAMP with NPPD’s Office of Infrastructure Protection and Argonne National Laboratory. In late April 2011, FPS evaluated options for limiting RAMP-associated costs and ultimately decided in May 2011 to cease development of RAMP. FPS also did not exercise an option for a separate contract that provided project management for RAMP.

FPS Minimized RAMP Costs by Exercising a Descoped Contract Option

Although FPS is no longer developing RAMP, it is still using the system to manage its guard force through post inspections. RAMP also contains historical data from legacy systems that FPS wants to retain and maintain, such as countermeasures in place at facilities.² If RAMP is not maintained, then FPS will not be able to access historical post inspections or facilities security assessments. These records are important when determining what security countermeasures are and have been in place at a given facility.

In June 2011, NPPD’s Acquisition Division, the office that administers the contract, exercised its 1-year option for the follow-on contract, extending it to June 2012. The contracting officer modified the scope of work for the option year by removing

² RAMP replaced three FPS systems: Federal Security Risk Manager, Security Tracking System, and Contract Employment Requirements Tracking System.

development but keeping operations and maintenance. FPS was able to deobligate \$9.9 million for the option year since it required only \$2.6 million to fund operations and maintenance.³ The contracting officer determined that exercising the option was the most advantageous and cost-efficient method of fulfilling the government's needs in accordance with federal acquisition regulations.⁴

It would not have been feasible to create, solicit, and award a new contract for operations and maintenance before the base year of the follow-on contract expired. Transitioning RAMP to a new contractor would have caused an interruption or degradation in service until the contractor could reach full performance. According to the contracting officer, the original developer was already performing operations and maintenance at an acceptable level, so he saw no reason not to exercise the option. Additionally, the developer estimated operations and maintenance costs separately from development. This allowed the contracting officer to modify the contract by mutual agreement instead of partially terminating it for convenience.

By exercising the option year, FPS is paying the original developer to manage and maintain RAMP in order to identify and correct software failures, performance failures, and implementation failures for all RAMP components. Per the contract's statement of work, operations and maintenance includes:

- Conducting emergency repairs;
- Performing maintenance tasks;
- Providing documentation for procedures and help desk support; and
- Providing Tier 2 and 3 help desk support.⁵

As described in its monthly and weekly status reports, the developer is primarily helping FPS and ICE migrate data to a new server, debug the system, resolve guard data discrepancies, and provide RAMP deployment metrics to management. As of November 2011, FPS had paid the developer \$1.2 million for work performed during the option year.

FPS Does Not Have a Long-term Solution To Maintain or Transfer Critical Data

FPS has not determined the nature of data in RAMP, what data are valid, and what data need to be preserved for future use. FPS is just beginning to evaluate its options but does not have a timeline for performing this analysis, despite the impending end of the follow-on contract in June 2012.

FPS will likely consider two options: (1) transfer operations and maintenance of RAMP to a company that was recently awarded a contract for infrastructure technology support, or (2) decommission RAMP in a way that preserves critical data. According to FPS, there are approximately 75,000 documents in RAMP. With 6 months left on the current

³ The actual amount spent on the option year of the follow-on contract will not be known until the end of the contract year.

⁴ 48 CFR 17.207.

⁵ Tier 2 and 3 help desk support handles questions or problems that the ICE Help Desk cannot resolve.

contract, FPS may not have enough time to analyze this large volume of data and either transfer them to another contractor or have them decommissioned. FPS also has not analyzed the costs or benefits of either option. FPS should complete this analysis before choosing a course of action.

Recommendation

We recommend that the Director of the Federal Protective Service plan and evaluate the projected costs and benefits of both potential courses of action—for the operation and maintenance or transfer of data in the Risk Assessment and Management Program—before taking action regarding these data. This plan should include a determination of what data are critical to FPS' mission and should be preserved.

Management Comments and OIG Analysis

A copy of the Department's response is included as appendix B. The Department concurred with our recommendation. FPS has initiated a review of RAMP documentation and data, looking specifically at the type and usage of the data as well as options for retrieval and storage outside of RAMP. The Department will decide on or before June 8, 2012, as to the continuation of RAMP.

The Department's actions are consistent with the intent of the recommendation. In the corrective action plan, the Department should provide further details regarding the results of its review of RAMP documentation and data, particularly the type and use of the data and retrieval options. Also, we have been made aware that since the Department owns the RAMP data, the data will be accessible to FPS for operations and maintenance after the expiration of the current contract.

Appendix A

Purpose, Scope, and Methodology

In June 2011, Representative Bennie G. Thompson asked that we review two areas of FPS' operations: RAMP and whether a company breached its contract with FPS to provide protective services for federal buildings in Michigan when its guards did not properly attend to an explosive device at the Patrick V. McNamara Federal Building. As part of our review of the Michigan contract, we also determined if the contractor's performance has been sufficiently remedied.

There is only slight overlap between the RAMP and Michigan contracts, which procure different services and are administered by different offices. Therefore, we are issuing two separate reports in response to Representative Thompson's request. This letter report contains the results of our review of RAMP.

Our original objectives concerning RAMP were to determine (1) the extent to which internal control weaknesses exist within the FPS Acquisition Division; (2) the plausibility of opening the RAMP contract to full and open competition; and (3) the amount of money spent on RAMP and the extent to which RAMP has been deployed by FPS. We altered these objectives as a result of actions taken by FPS and ongoing work by GAO. We included GAO conclusions regarding RAMP in our report to provide context.

First, the FPS Acquisition Division is responsible for administering FPS' guard contracts and has no role in administering the RAMP contract other than advising FPS' Director, when asked. Therefore, we did not seek to determine the extent to which internal control weaknesses exist within the FPS Acquisition Division.

Second, in July 2011, 1 month before the start of our fieldwork, Congress requested that GAO review FPS' efforts to contract for a new version of RAMP. FPS had already ceased development of RAMP and was reevaluating RAMP requirements and alternative programs to meet its requirements. Therefore, we did not seek to determine the plausibility of opening the RAMP contract to full and open competition. However, because Representative Thompson expressed concern that FPS awarded the original developer an option year for operation and maintenance of RAMP, we reviewed the factors that FPS considered, and its rationale, to determine whether this action was in the best interest of the government.

In addition, we did not seek to determine the total amount of money spent on RAMP because GAO addressed this issue in its July 2011 report. However, because FPS did not expend all allocated funds for the base year of the follow-on contract and awarded the option year after GAO ended its work, we determined the amount spent on the base year of the follow-on contract and the amount obligated for the option year.

Although we did see indications that FPS is using RAMP for post inspections, Congress has asked GAO to determine how FPS is performing facility security assessments and managing its guard force as it transitions to a new version of RAMP. Therefore, we did not review the extent to which FPS has deployed RAMP.

Appendix A

Purpose, Scope, and Methodology

We reviewed sections of the Federal Acquisition Regulation and examined files from the RAMP logical follow-on contract. We also interviewed officials from FPS, ICE, and the NPPD Acquisition Division.

We conducted our fieldwork from August to December 2011. This review was conducted under the authority of the Inspector General Act of 1978, as amended, and according to the Quality Standards for Inspections (QSI) issued by the President's Council on Integrity and Efficiency, except that we identified an impairment to our independence in appearance. Following completion of our review, it came to our attention that a family member of a senior OIG official was employed by an entity associated with this inspection. We took steps to re-evaluate the evidence supporting our findings and conclusions. In our opinion, the impairment to our independence in appearance did not affect the findings and conclusions developed during this inspection.

QSI requires that we adequately plan and perform the inspection to obtain sufficient, competent, and relevant evidence to provide a reasonable basis for reaching conclusions, consistent with inspection objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based upon our inspection objectives, and that the impairment to our independence in appearance did not affect this evidence or any findings and conclusions.

Appendix B Management Comments to the Draft Letter Report

Office of the Under Secretary
National Protection and Programs Directorate
U.S. Department of Homeland Security
Washington, DC 20528



**Homeland
Security**

MAR 08 2012

Mr. Carlton I. Mann
Assistant Inspector General for Inspections
Office of the Inspector General
U.S. Department of Homeland Security
Washington, DC 20528

Dear Mr. Mann:

Re: OIG Report 11-144-ISP-NPPD, *FPS' Exercise of a Contract Option for the Risk Assessment and Management Program*

The Department of Homeland Security (DHS)/National Protection and Programs Directorate (NPPD) appreciates the opportunity to review and respond to the Office of Inspector General (OIG) report 11-144-ISP-NPPD, *FPS' Exercise of a Contract Option for the Risk Assessment and Management Program (RAMP)*. This audit was conducted at the request of Representative Bennie G. Thompson to review the circumstances surrounding the initiation and continuation of the RAMP contract. DHS/NPPD is working to resolve the issues identified by the OIG.

The Federal Protective Service (FPS) is responsible for the protection of more than 9,000 Federal facilities owned or leased by the General Services Administration (GSA). In 2003, FPS was transferred from GSA to the U.S. Immigration and Customs Enforcement (ICE). In 2009, FPS was transferred to NPPD.

In 2008, ICE competitively awarded a contract for the development and maintenance of RAMP. This action was taken to address insufficient risk assessments and data weaknesses identified by the Government Accountability Office (GAO). RAMP was intended to be a next generation risk assessment tool that would enable FPS to assess and analyze risk posed to Federal facilities and mitigate those risks by recommending and tracking countermeasures. In addition, RAMP's operating capabilities would assist FPS in managing post inspections, guard contracts, and individual guard certification compliance. In an attempt to meet deployment milestones, the total funding amount for the entire performance period was expended five years sooner than contemplated by the term of the contract. To continue RAMP development and prepare for the transition to NPPD, a shorter term "logical follow-on" contract was issued in 2010 to continue with development and system operations and maintenance of RAMP while allowing time for the Government to re-examine any changes in its requirements and thereafter competitively award a new contract reflecting these requirements.

The GAO report titled, *Actions Needed to Resolve Delays and Inadequate Oversight issues with FPS' Risk Assessment Management Program* (11-705R), issued in 2011, revealed that a factor

Appendix B Management Comments to the Draft Letter Report

contributing to RAMP deficiencies was the change to original contract requirements resulting in the contractor having to add resources. In late April 2011, FPS evaluated options for limiting RAMP-associated costs and ultimately decided in May 2011 to cease RAMP development because it was not cost-effective and it did not fulfill its original goals. The contract was modified to remove development activities and focus on system operations and maintenance. OIG concluded that issuing this modification was the most advantageous and cost-efficient method of fulfilling the Government's needs.

DHS/NPPD has no technical and sensitivity comments.

Recommendation: *The Director of FPS plan and evaluate the projected costs and benefits of both potential courses of action—for the operation and maintenance or transfer of data in the RAMP—before taking action regarding these data. This plan should include a determination of what data are critical to FPS' mission and should be preserved.*

NPPD/FPS concurs with this recommendation. FPS has initiated a comprehensive review of RAMP documentation and data, looking specifically at the type and usage of the data as well as options for retrieval and storage outside of RAMP. In consultation with the NPPD Office of the Chief Information Officer, FPS will make a decision as to continuation of RAMP within 90 days from the date of this letter.

We thank you for the opportunity to review and provide comment on this draft letter report, and we look forward to working with you on future homeland security engagements.

Sincerely,



Rand Beers
Under Secretary

Appendix C
Major Contributors to this Report

William McCarron, Chief Inspector
Paul H. Bergstrand, Senior Inspector
Lindsay K. Clarke, Inspector
Jasmine K. Davis, Inspector

Appendix D
Report Distribution

Department of Homeland Security

Secretary
Deputy Secretary
Chief of Staff
Deputy Chief of Staff
General Counsel
Executive Secretariat
Director, GAO/OIG Liaison Office
Assistant Secretary for Office of Policy
Assistant Secretary for Office of Public Affairs
Assistant Secretary for Office of Legislative Affairs

Office of Management and Budget

Chief, Homeland Security Branch
DHS OIG Budget Examiner

Congress

Congressional Oversight and Appropriations Committees, as
appropriate
Representative Bennie G. Thompson

ADDITIONAL INFORMATION AND COPIES

To obtain additional copies of this document, please call us at (202) 254-4100, fax your request to (202) 254-4305, or e-mail your request to our Office of Inspector General (OIG) Office of Public Affairs at: DHS-OIG.OfficePublicAffairs@oig.dhs.gov.

For additional information, visit our website at: www.oig.dhs.gov, or follow us on Twitter at: [@dhsoig](https://twitter.com/dhsoig).

OIG HOTLINE

To expedite the reporting of alleged fraud, waste, abuse or mismanagement, or any other kinds of criminal or noncriminal misconduct relative to Department of Homeland Security (DHS) programs and operations, please visit our website at www.oig.dhs.gov and click on the red tab titled "Hotline" to report. You will be directed to complete and submit an automated DHS OIG Investigative Referral Submission Form. Submission through our website ensures that your complaint will be promptly received and reviewed by DHS OIG.

Should you be unable to access our website, you may submit your complaint in writing to: DHS Office of Inspector General, Attention: Office of Investigations Hotline, 245 Murray Drive, SW, Building 410/Mail Stop 2600, Washington, DC, 20528; or you may call 1 (800) 323-8603; or fax it directly to us at (202) 254-4297.

The OIG seeks to protect the identity of each writer and caller.