

**Special Report:
Lessons Learned from
Prior Reports on CBP's
SBI and Acquisitions
Related to Securing our
Border**





DHS OIG SPECIAL REPORT

Lessons Learned from Prior Reports on CBP's SBI and Acquisitions Related to Securing our Border

June 12, 2017

Why We Did This Special Report

This is a Department of Homeland Security Office of the Inspector General (DHS OIG), special report regarding the U.S. Customs and Border Protection's (CBP) physical security of the southern border of the United States. This is the first in a series of reports about CBP's physical security of the southern border. This report describes lessons learned from prior DHS-OIG, Government Accountability Office, and Department reports on CBP's Secure Border Initiative (SBI), and other relevant CBP acquisitions related to securing our borders.

What We Recommend

We made no recommendations.

For Further Information:

Contact our Office of Public Affairs at (202) 254-4100, or email us at DHS-OIG.OfficePublicAffairs@oig.dhs.gov

What We Found

CBP currently faces an aggressive implementation schedule to satisfy its requirements under the President's Executive Order. CBP is working on an acquisition plan while simultaneously preparing a solicitation for the design and build of a southern border wall. CBP must continue to be mindful of the lessons learned related to an aggressively scheduled acquisition in order to protect taxpayer dollars associated with the acquisition of the construction of a southern border wall.

Prior reports (see Appendix A) found that CBP did not have defined and validated operational requirements resulting in unachievable performance. CBP also lacked a proper acquisition workforce that resulted in missteps, waste, and delays. In addition, CBP did not have robust business processes and information systems needed to enable program offices to move forward expeditiously on the tasks of managing to program objectives.

Although DHS has made much progress, it needs to continue toward a strong central authority and uniform policies and procedures. Most of DHS's major acquisition programs continue to cost more than expected, take longer to deploy than planned, or deliver less capability than promised. Although its acquisition policy includes best practices, DHS sometimes approves moving forward with major acquisition programs without appropriate internal oversight.



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Department of Homeland Security

Washington, DC 20528 / www.oig.dhs.gov

June 12, 2017

MEMORANDUM FOR: The Honorable General John F. Kelly
Secretary
Department of Homeland Security

FROM: John Roth 
Inspector General

SUBJECT: Special Report: *Lessons Learned from Prior Reports on CBP's SBI and Acquisitions Related to Securing our Border*

Attached is our final special report, *Lessons Learned from Prior Reports on CBP's SBI and Acquisitions Related to Securing our Border*. This report was conducted under the *Inspector General Act of 1978*, as amended, Section 2-2, to provide leadership and coordination and recommend policies for activities designed to promote economy, efficiency, and effectiveness in the administration of, and to prevent and detect fraud and abuse in, such programs and operations.

This report describes lessons learned from prior DHS-OIG, Government Accountability Office, and Department reports on CBP's Secure Border Initiative, and other relevant CBP acquisitions related to securing our borders. We made no recommendations in this report.

We provided a draft report for your comments. We received the Department's response and also received technical comments from CBP. We have included the Department's response as an appendix in this report and incorporated the CBP technical comments as appropriate. Consistent with our responsibility under the *Inspector General Act*, we will provide copies of this report to appropriate congressional committees with oversight and appropriation responsibility over the Department of Homeland Security. We will post a version of the report on our website for public dissemination.

Please call me with any questions, or your staff may contact John V. Kelly, Deputy Inspector General, at (202) 254-4100.

Attachment



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Background

On January 25, 2017, the President signed Executive Order No.13767 - *Border Security and Immigration Enforcement Improvements*. The Executive Order directed executive departments and agencies to deploy all lawful means to secure the Nation's southern border through the immediate construction of a physical wall, monitored and supported by adequate personnel so as to prevent illegal immigration, drug and human trafficking, and acts of terrorism.

Subsequently, DHS Secretary John F. Kelly issued a memorandum implementing the President's border security and immigration enforcement improvements policies. Specifically, Secretary Kelly instructed U.S. Customs and Border Protection (CBP) to immediately begin planning, design, construction, and maintenance of a wall, along the land border with Mexico, utilizing appropriate materials and technology to most effectively achieve operational control of the border.

According to the Department, CBP has taken immediate action in response to the Executive Order and has identified locations near El Paso, Texas; Tucson, Arizona; and El Centro, California; to build a wall where fencing is no longer effective. U.S. Border Patrol (Border Patrol) is currently conducting an operational assessment to identify priority areas for building a wall or similar physical barrier where none exists.

Border Patrol's operational assessment will address:

- The current state of southern border security;
- All geophysical and topographical aspects of the southern border; and
- The availability of Federal and state resources necessary to achieve operational control of the southern border.

This operational assessment aims to inform DHS's strategy to obtain and maintain operational control of the southern border and is to be completed within 180 days of the announcement of the Executive Order.

On March 17, 2017, CBP released two Requests for Proposal to award Indefinite Delivery Indefinite Quantity (IDIQ) Task Order contracts for the design and construction of wall prototypes with the capacity to issue future task orders for construction along the southwest border. The award amount for each IDIQ shall not exceed \$300 million. The first Request for Proposal is for a solid concrete border wall, and the second is for an "Other Border Wall" incorporating a see-through capability to facilitate situational awareness. CBP's goal is to award a contract by June 12, 2017, and begin construction of four to six prototypes by July 21, 2017.



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Parallel to the wall construction, CBP reports it will be examining the Concept of Operations for a wall system that includes resources, infrastructure, and technology for the entire southern border. CBP will ensure that the results of this examination are incorporated into relevant, ongoing and future requirement development efforts.

CBP guards nearly 2,000 miles of U.S. land border with Mexico, deterring, detecting, and interdicting illegal entry of people and contraband into the United States while facilitating lawful travel and trade. Currently, there is 654 miles of fencing along the southwest border, consisting of 354 miles of pedestrian fence and 300 miles of vehicle fence. See table 1 for a breakdown of southwest border fencing miles.

Table 1: Southwest Border Fencing Miles

| Land Type | Primary Pedestrian Fence Miles | Primary Vehicle Fence Miles |
|--------------|--------------------------------|-----------------------------|
| Federal | 294 | 298 |
| Private | 60 | 0 |
| Tribal | 0 | 2 |
| Total | 354 | 300 |

Source: CBP Facilities Management and Engineering Division

Pedestrian fencing is mostly in urban areas of California, Arizona, and Texas. CBP also erected several miles of fence in the rural areas of the Arizona Yuma Sector. Most of the vehicle barriers along the southwest border are in rural areas where, according to CBP, pedestrian traffic is uncommon or easily detected. These barriers are designed to deny vehicle entry while allowing pedestrians and animals to pass freely. According to CBP, segments that require maintenance or upgrade repairs such as breach and erosion issues are fixed as they are identified.

**DHS Acquisition Framework and Lessons Learned
From Prior Reports on CBP’s Secure Border Initiative**

The Department will be making a significant investment to satisfy its requirements under the President’s Executive Order. The Department has historically had significant challenges with acquisitions but has taken steps to strengthen department-wide acquisition management, such as establishing an Acquisition Life Cycle Framework (Acquisition Framework) and creating the Office of Program Accountability and Risk Management in 2011.

DHS established the Acquisition Framework to assure consistent and efficient acquisition management, support, review, and approval throughout the



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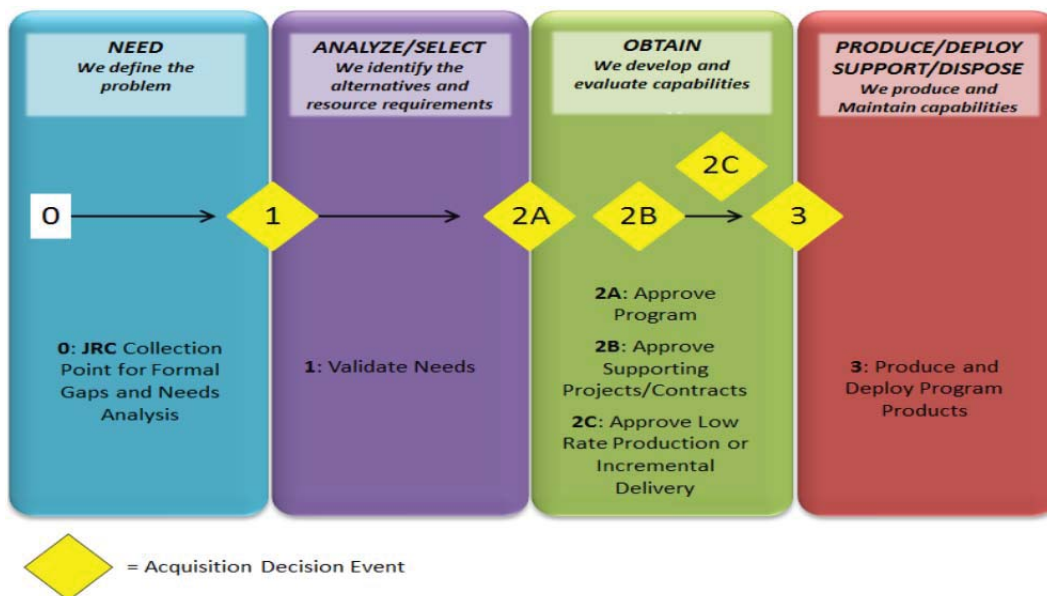
Department. The framework is designed to ensure that acquisitions are stable and well managed; that the program manager has the tools, resources, and flexibility to execute the acquisition; that the product meets user requirements; and that the acquisition complies with applicable statutes, regulations, and policies.

As shown in figure 1, the Acquisition Framework is a 4-phase process that DHS uses to determine whether to proceed with an acquisition:

1. Need – identify the need that the acquisition will address;
2. Analyze/Select – analyze the alternatives to satisfy the need and select the best option;
3. Obtain – develop, test, and evaluate the selected option and determine whether to approve production; and
4. Produce/Deploy/Support/Dispose – produce and deploy the selected option and support it throughout the operational life cycle.

The DHS Acquisition Framework is structured to operate within a series of phases each leading to an Acquisition Decision Event (Decision Event), a predetermined point within an acquisition phase at which the acquisition will undergo a review prior to commencing the next phase. The review is designed to ensure that needs are aligned with DHS’s strategic direction, and that upcoming phases are adequately planned.

Figure 1: 4-Phase Acquisition Life Cycle Framework



Source: DHS Acquisition Management Instruction 102-01-001



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Prior to every decision event, components are required to submit acquisition documents to the Acquisition Review Board, the cross-component board in the Department composed of senior-level decision makers, for review, including:

- **Mission Needs Statement:** Outlines specific functional capabilities required to accomplish the Department's mission and objectives, along with deficiencies and gaps in these capabilities.
- **Capability Development Plan:** Defines how critical knowledge to inform decisions will be obtained, defines the objectives, activities, schedule, and resources for the next phase.
- **Acquisition Plan:** Provides a top-level strategy for future sustainment and support and a recommendation for the acquisition approach and types of acquisition.

Each phase ends with a presentation to the Acquisition Review Board. The Acquisition Review Board determines whether a proposed acquisition meets the requirements of key phases in the Acquisition Framework and is able to proceed to the next phase and eventual full production and deployment. The Acquisition Review Process ensures appropriate implementation of the Acquisition Review Board's decisions.

Strong and clear definitions of operational requirements appropriately focus and stabilize the direction of program plans. Contracts expedited too quickly without proper and meaningful reviews by knowledgeable and experienced DHS staff, in response to aggressive program deadline requirements, may result in higher costs, schedule delays, and failures to accomplish adequate technical or critical mission requirements.

Need Phase

At the time of our review, CBP was in the Need Phase of the Acquisition Framework for a physical wall to secure the southern border. The purpose of this phase is to ensure alignment of needs to strategic DHS direction along with adequate planning and resourcing for upcoming phases. On March 20, 2017, the Acquisition Review Board granted permission to CBP to proceed to Decision Event 1, meaning to validate the need.

CBP submitted to DHS's Joint Requirements Council its Capability Analysis Report (capability analysis), which identified Impedance and Denial¹ as one of

¹ "Impedance and Denial" refers to the capability to impede border incursions and deny the adversary's use of terrain (i.e., land, air, water) for advantage in conducting illegal activity and acts of terrorism. Additionally, Impedance enhances the U.S. Border Patrol's capability to execute its mission essential tasks by increasing adversary vanishing times and giving law enforcement capabilities more time to detect and respond.



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the master capabilities required for operational control of a safe and secure border.

The DHS Joint Requirements Council approved the capabilities analysis but identified additional action items in order to graduate to the Obtain Phase of the acquisition process. Specifically, the Joint Requirements Council requested CBP develop and submit a concept of operations that addresses the following:

- Refine areas from the capability analysis and Mission Needs Statement, including robust description of the as-is capability, a quantification of the gap, measures of operational outcomes, and description of solution approach.
- Identify:
 - A relationship of solution approach with other assets, systems, capabilities, and procedures, including those being addressed as part of the current Domain Awareness Land Surveillance efforts.²
 - How CBP will use the capability in actual operations or business processes, including the
 - Solution approaches outlined in Secretary Kelly's February 17, 2017 memo, and
 - Patrol and access roads along the land border with Mexico to most effectively achieve operational control of the border.
 - How CBP would employ and support the solution approach to meet objectives and fill related capability gaps; and
 - How the solution approach would fulfill user requirements.

To its credit, CBP is in the process of refining its capability needs by issuing its Requests for Proposal for the design and construction of wall prototypes. However, without a foundation of well-defined, validated operational requirements, acquisition programs flounder and often result in wasted effort, the inefficient use of resources, and a system or product that does not achieve the desired result. Prior reports identified that CBP did not have defined and validated operational requirements resulting in unachievable performance.

² Domain Awareness Land Surveillance refers to the ability to continuously detect, identify, classify, and track all border incursions (land, air, maritime, and subterranean) in targeted areas under all weather, terrain, vegetation, and light conditions for providing security-in-depth along the border area.



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For instance, in our audit of the *SBI_{net}* program in 2006,³ we reported that CBP bypassed existing required processes. Key decisions about the scope of the program and the acquisition strategy were made without rigorous review, analysis, or transparency. As a result, CBP awarded a multimillion dollar contract without having laid the foundation to oversee and assess contractor performance and control cost and schedule.⁴

We also identified that although CBP made progress in recognizing the Border Patrol's operational requirements for technology and tactical infrastructure, better documented and defined operational requirements for tactical infrastructure would ensure that border fence construction was linked to resource decisions and mission performance goals.⁵

CBP ultimately terminated *SBI_{net}* in 2011 after expending about \$1 billion. *SBI_{net}* clearly illustrates that poorly defined and documented operational requirements, and failure to adequately plan, results in missed milestones and wasted resources. This further hampers adequate definition of customer needs in the contract solicitation. CBP's missteps with *SBI_{net}*'s planning should be a reminder of the importance of proper planning of major acquisitions and that acquisition controls should not be bypassed.

Analyze and Select Phase

The Analyze and Select Phase identifies and explores alternative ways to fill gaps in the Mission Needs Statement with mission effective, suitable, and affordable solutions. It also allows decision makers to select the optimal solution to effectively deliver required capability to users.

This is accomplished with the completion of an Analysis of Alternatives. The Analysis of Alternatives is an analytical comparison (from a high-level cost and performance perspective) of selected solution alternatives for fulfilling the specific capability need. The Analysis of Alternatives explores these alternatives with the goal of identifying the most promising approach to achieve user-required capabilities within practical performance, cost, schedule, and risk boundaries.

³ Secure Border Initiative Net (*SBI_{net}*) is a component of the overall SBI effort intended to improve border control operations, deploying more infrastructure and personnel with modernized technology and tactics.

⁴ OIG-07-07, *Risk Management Advisory for the SBI_{net} Program Initiation*, November 14, 2006

⁵ OIG-09-56, *Progress in Addressing Secure Border Initiative Operational Requirements and Constructing the Southwest Border Fence*, April 15, 2009



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A full life cycle cost estimate is developed during this phase to support the preferred solution. The Acquisition Decision Authority approves the recommendation from the program for the best alternative that provides the required performance at acceptable cost, schedule, and risk.

As previously stated, the Acquisition Review Board approved CBP to progress to Decision Event 1 of the Acquisition Framework. In its approval memorandum, the Acquisition Review Board also granted CBP permission to develop a procurement solution that allows for the purchase and delivery of four to six wall prototypes and possible construction of a larger prototype in Yuma, Arizona, or San Diego, California, to support Alternatives Analysis and to refine its requirements.

CBP reports the wall will be constructed and delivered in segments, as prioritized by CBP, and each segment, succeeding the prototype phase, will be assessed by the Acquisition Review Board to baseline the segment and determine affordability. The DHS Chief Acquisition Officer will be the Acquisition Decision Authority. A limited Alternatives Analysis will be performed that will focus on the prioritization of segments and the technical solution that best supports each segment. Before program approval and identification of cost, schedule, and performance parameters (Decision Events 2A and 2B) each segment will also require:

- Life Cycle Cost Estimate,
- Acquisition Program Baseline,
- Integrated Logistics Support Plan,
- Certification of Funds memorandum,
- Operational Requirements Document, and
- Test and Evaluation Master Plan.

These items are required before each segment delivery.

Prior reports identified that CBP did not have a comprehensive plan for justifying its needs in a timely manner and at a reasonable cost. These reports also identified that CBP did not have an overall strategy for managing its acquisitions along the southwest border.

In 2011, the Government Accountability Office (GAO) reported CBP did not document the analysis justifying the specific types, quantities, and deployment locations of border surveillance technologies proposed in the Arizona Border Surveillance Technology Plan (Plan). In addition, CBP's life cycle cost estimate for the Plan did not sufficiently meet characteristics of a high-quality cost



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Appendix C
Management Comments to the Draft Report


U.S. Department of Homeland Security
Washington, DC 20528



**Homeland
Security**

May 19, 2017

MEMORANDUM FOR: John Roth
Inspector General

FROM: Jim H. Crumpacker, CIA, CFE
Director
Departmental GAO-OIG Liaison Office 

SUBJECT: Management's Response to OIG Draft Report: "Special Report:
Lessons Learned from Prior Reports on CBP's SBI and
Acquisitions Related to Securing our Border"
(Project No. 17-053-AUD-CBP)

Thank you for the opportunity to review and comment on this draft report. The U.S. Department of Homeland Security (DHS) appreciates the work of the Office of Inspector General (OIG) in planning and conducting its review and issuing this draft report.

In the acquisition and deployment of border security technology, DHS is committed to ensuring that investments are effective and that procurement processes are efficient, transparent, and compliant with federal law and DHS policy. As with all our programs, operations, and activities, we welcome oversight and embrace our responsibility as stewards of American taxpayer resources.

DHS has made great strides in more formally structuring its major programs and acquisition process due, in part, to the implementation of 85 percent of the prior U.S. Government Accountability Office and OIG recommendations outlined in this draft report. We believe we have greatly improved the acquisition planning, management, and execution process and that these improvements will help facilitate the effective and efficient implementation of Executive Order (EO) No. 13767, "Border Security and Immigration Enforcement Improvements."

The draft report highlights the importance of disciplined acquisition governance and decision-making, with which we agree. In fact, with respect to the Wall Program, CBP has already initiated the DHS acquisition governance process and intends to continue to execute the program in accordance with DHS major program and acquisition oversight policy. As noted in the report, CBP completed the activities for Acquisition Decision Event 1 (ADE-1), including prior coordination with the Joint Requirements Council, and is continuing with appropriate activities as they approach the follow-on ADEs: analyze and select, obtain, and produce/deploy/support/dispose.

It is important to note that the DHS acquisition governance process allows for tailoring as appropriate to the nature of the effort and the risk. The process is not an inflexible and arbitrary bureaucratic one. Instead, it is one that ensures key analysis is completed, risks are identified,



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and senior leaders make explicit decisions using adequate knowledge. The goal is not necessarily to eliminate all risk, but rather to ensure that the acceptance of risk is recognized. DHS appreciates OIG's recognition of the challenges the Department faces in satisfying the requirements of EO 13767. The Department is prepared for this challenge and better positioned now for success largely because of the lessons learned from *SBI*net.

Despite an aggressive schedule and intense pressure to quickly yield results, DHS is committed to following sound acquisition practices and is focused on deliberative analysis to support its plans. At the same time, DHS is working on the solicitation for the design and build of a Southern Border wall, program officials are developing the acquisition program plan and documents that will support appropriate governance and oversight while protecting the taxpayers' investment and ensure the best possible solutions are implemented in a timely manner and at a reasonable cost.

DHS agrees with the OIG's conclusion that planning is the most important step in the acquisition process. Based on the lessons learned from *SBI*net, the Department has strengthened the implementation of acquisition management within CBP and other Components. Specifically, DHS has made improvements in program staffing needs; advancing a well-trained and a certified workforce; developing key acquisition documents; identifying risks and preparing mitigation plans to address those risks; developing comprehensive plans for managing acquisitions; and the oversight of the acquisition programs.

While there is always more work to be done and areas for improvement, DHS has made significant strides to improve acquisition planning, management, and execution. These efforts have produced more effective governance and significant improvements to current and future acquisitions. The Wall Program will be the beneficiary of these improved acquisition processes. DHS has most assuredly come a long way from its *SBI*net days. CBP will continue to work with its DHS management partners to improve oversight; develop its acquisition workforce; and improve the quality, timeliness, and transparency of CBP contracting processes. Recent activities for the Wall Program include standing-up an Executive Steering Committee with stakeholders from DHS and CBP to oversee the governance process and holding the first Acquisition Review Board that approved the mission need and plan to move towards a program of record.

Again, thank you for the opportunity to review and comment on this draft report. Technical comments were previously provided under separate cover. Please feel free to contact me if you have any questions. We look forward to working with you again in the future.



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Appendix D
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