

**DHS Should Seek a
Unified Approach when
Purchasing and Using
Handheld Chemical
Identification Devices**





DHS OIG HIGHLIGHTS

DHS Should Seek a Unified Approach when Purchasing and Using Handheld Chemical Identification Devices

February 28, 2020

Why We Did This Audit

DHS implemented its “Unity of Effort” initiative to remove silos, centralize decision making, and enhance effectiveness and unity in operations. We conducted this audit to determine to what extent the Department ensures components are coordinating the procurement and use of small-scale drug interdiction technology (handheld chemical identification devices).

What We Recommend

We recommend DHS establish a process to coordinate common needs across components and maximize savings from strategic sourcing opportunities. These recommendations, when implemented, should help improve “Unity of Effort” in procuring and using handheld chemical identification devices.

For Further Information:

Contact our Office of Public Affairs at (202) 981-6000, or email us at DHS-OIG.OfficePublicAffairs@oig.dhs.gov

What We Found

The Department of Homeland Security does not have a unified approach to procuring and using handheld chemical identification devices across components. DHS components spent about \$48.4 million on these devices to meet mission requirements and capability needs. However, each component purchased the equipment separately and did not coordinate common requirements to maximize cost-saving opportunities.

This occurred because DHS components are not required to coordinate common requirements and capability needs for minor acquisitions and procurements, such as chemical identification devices. Further, DHS does not perform item-level spend analyses on its procurement data to identify common products and services for strategic sourcing opportunities.

Solidifying a unified approach across DHS to enhance the security of the homeland remains a top challenge for the Department. Without a joint approach to coordinate the procurement and use of chemical identification devices, DHS components are not meeting objectives included in the Department’s “Unity of Effort” initiative. Additionally, DHS may limit potential savings from strategic sourcing opportunities and also risks greater costs resulting from inefficiency and duplication of effort.

DHS Response

DHS concurred with recommendation 1 but did not concur with recommendation 2. We consider both recommendations open and unresolved.



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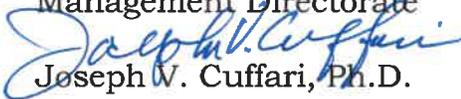
Department of Homeland Security

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

February 28, 2020

MEMORANDUM FOR: Randolph D. Alles
Senior Official Performing the Duties of the
Under Secretary for Management
Management Directorate

Soraya Correa
Chief Procurement Officer
Office of the Chief Procurement Officer
Management Directorate

FROM: 
Joseph W. Cuffari, Ph.D.
Inspector General

SUBJECT: *DHS Should Seek a Unified Approach when Purchasing
and Using Handheld Chemical Identification Devices*

For your action is our final report, *DHS Should Seek a Unified Approach when Purchasing and Using Handheld Chemical Identification Devices*. We incorporated the formal comments provided by your office.

The report contains two recommendations aimed at improving Unity of Effort across components when procuring and using chemical identification devices. Your office concurred with one of the two recommendations. Based on information provided in your response to the draft report, we consider recommendations 1 and 2 open and unresolved. As prescribed by the Department of Homeland Security Directive 077-01, *Follow-Up and Resolutions for the Office of Inspector General Report Recommendations*, within 90 days of the date of this memorandum, please provide our office with a written response that includes your (1) agreement or disagreement, (2) corrective action plan, and (3) target completion date for each recommendation. Also, please include responsible parties and any other supporting documentation necessary to inform us about the current status of the recommendation. Until your response is received and evaluated, the recommendations will be considered open and unresolved.

Please send your response to OIGAuditsFollowup@oig.dhs.gov. Consistent with our responsibility under the *Inspector General Act*, we will provide copies of our report to congressional committees with oversight and appropriation responsibility over the Department of Homeland Security. We will post the report on our website for public dissemination.



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Please call me with any questions, or your staff may contact Sondra F. McCauley, Assistant Inspector General for Audits, or Don Bumgardner, Deputy Assistant Inspector General for Audits, at (202) 981-6000.



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Background

The Department of Homeland Security relies on a combination of people, assets, infrastructure, and technology across components to achieve its mission of ensuring our country is safe, secure, and resilient against terrorism and other hazards. As the country continues to face a major opioid drug epidemic, DHS' function of interdicting illicit narcotics has become increasingly critical.

Use of Handheld Chemical Identification Devices

One of the tools DHS uses to aid in preventing illegal narcotics from entering the country is handheld chemical identification devices. These devices contain two types of identification technology that allow DHS law enforcement officers to identify illegal drugs in a single test.

- Raman Spectroscopy (Raman) technology uses a laser light to scan and identify substances.
- Fourier Transform Infrared Spectroscopy (FTIR) technology requires that a sample be placed on the device to identify an unknown or suspected material.

These devices also contain internal libraries of different chemical spectra¹ or “fingerprints” that are used to compare and match substances for identification.

DHS leads the Nation's interdiction efforts through a multi-component approach, which includes support from U.S. Customs and Border Protection (CBP) and the United States Coast Guard (Coast Guard).

CBP safeguards the country's borders from dangerous people and materials. This includes preventing illicit drugs and contraband from entering the country. CBP personnel use three types of handheld chemical

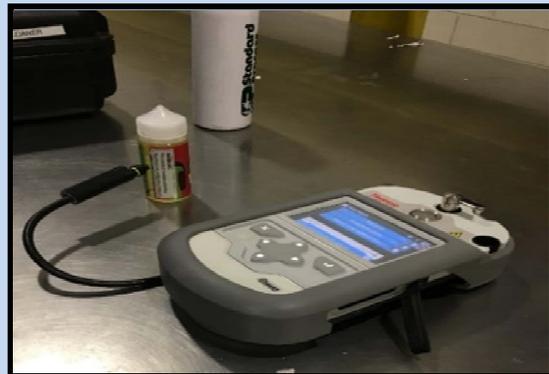


Figure 1. Handheld chemical identification device with both Raman Technology and FTIR Technology (Device 1)

Source: DHS Office of Inspector General (OIG) photo

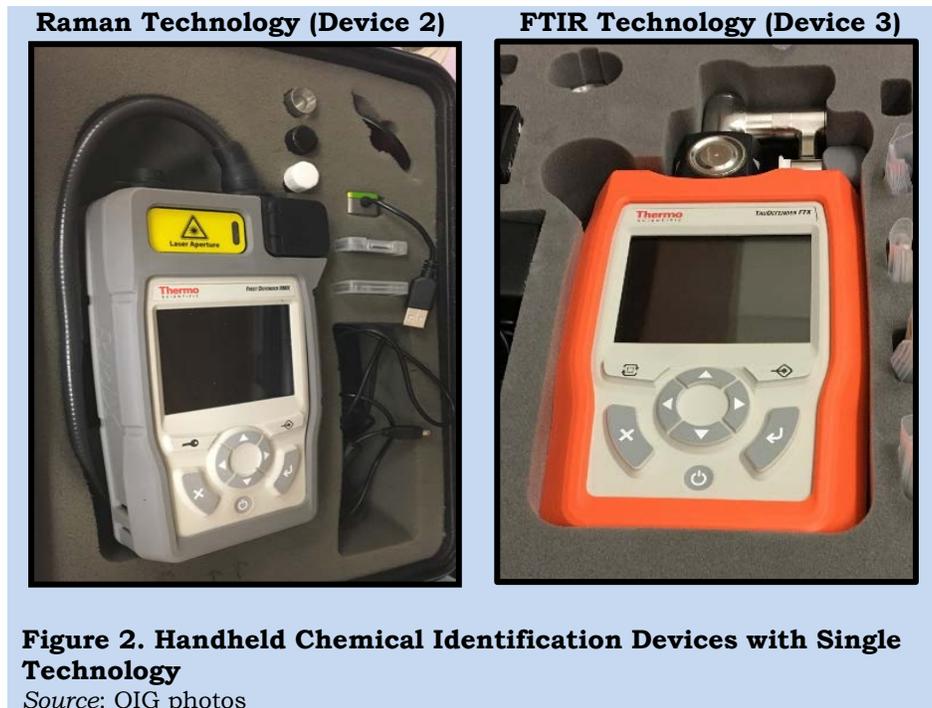
¹ A spectra is a graphical representation of a substance's chemical properties. Each chemical has a unique spectrum, much like a fingerprint. Spectra span thousands of substances, including explosives, toxic industrial chemicals, chemical warfare agents, narcotics, pharmaceuticals, precursors, and suspicious powders.



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

identification devices to detect illicit drugs brought into the country at air, land, and sea ports of entry, or through international mail and express consignment courier facilities. One device contains both Raman and FTIR technology (see figure 1), the second device contains Raman technology (see Device 2 in figure 2), and the third device contains FTIR technology (see Device 3 in figure 2).



CBP is the primary user of handheld chemical identification devices for drug interdiction efforts. However, other DHS components, such as the Coast Guard, Federal Emergency Management Agency (FEMA), and the Transportation Security Administration (TSA), also use the same types of devices in day-to-day mission operations, but employ the devices for different purposes. Countering Weapons of Mass Destruction Office (CWMD)² has also identified a capability need for Device 1 and is seeking to acquire the device to augment its biological and chemical detection capabilities at high profile events. Table 1 lists the DHS components using chemical identification devices and their purposes.

² CWMD develops, acquires, and deploys detection technologies to enhance the Department's chemical, biological, radiological, and nuclear detection capabilities.



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Department of Homeland Security

Table 1. Components' Use of Handheld Chemical Identification Devices

Component	Application
CBP	Identify illicit narcotics and other hazardous substances
Coast Guard	Identify chemical agents and hazardous substances
CWMD	Identify hazardous substances
FEMA	Identify hazardous substances
TSA	Identify explosive materials

Source: DHS OIG analysis of DHS data

The Coast Guard's mission is to ensure the Nation's maritime safety, security, and stewardship. As the lead Federal agency for drug interdiction on the high seas, the Coast Guard's responsibilities include counterterrorism/counter weapons of mass destruction operations. Coast Guard personnel use two identification devices similar to those used by CBP to perform these essential operations. One device contains Raman technology (see Device 2 in figure 2) and the second device contains FTIR technology (see Device 3 in figure 2) to aid in identifying unknown chemical agents and hazardous substances.

FEMA helps protect the country from hazards before, during, and after disasters through its emergency management program of mitigation, preparedness, response, and recovery. In support of this mission, FEMA personnel use the same Raman and FTIR devices CBP and the Coast Guard use to identify and classify chemical properties of hazardous materials.

TSA protects the country's transportation systems to ensure freedom of movement for people and commerce. This mission includes screening passengers and baggage to prevent dangerous or deadly objects from being smuggled onto aircraft. TSA personnel use chemical identification devices with Raman technology to identify explosive materials and substances at passenger screening checkpoints and baggage screening areas.

Unity of Effort

DHS continues to face challenges meshing divergent components, with different histories, cultures, and missions, into a single agency. Solidifying a unified approach across DHS to enhance the security of the homeland remains a top challenge for the Department. OIG has identified this challenge for the



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

last 5 years in our annual report.³ In May 2005, the Office of Management and Budget (OMB) required Federal agencies to leverage their existing spending through strategic sourcing.⁴ Accordingly, the DHS Office of the Chief Procurement Officer established the Strategic Sourcing Program Office (SSPO) to oversee the development, coordination, and execution of sourcing strategies and collaborative activities on behalf of DHS components. New opportunities for strategic sourcing initiatives are identified through requests from a component’s chief executive officer, suggestions from other stakeholders, or based on a spend analysis. The spend analysis allows SSPO to view the Department’s expenditures by supplier and product or service classification using data from the Federal Procurement Data System Next Generation (FPDS-NG) — the central repository for Federal procurement award data. SSPO uses this information to gain an understanding of the Department’s spending trends and cost-saving opportunities and then documents its sourcing recommendations in a business case.

In April 2014, then-DHS Secretary Jeh Johnson announced the “Unity of Effort” initiative to promote greater coordination among components, greater centralized decision making by leadership, a unified and strategic approach to the budget building process, and a department-wide approach to acquisition strategy.⁵ The initiative changed the Department’s analytical and decision-making processes for developing strategy, planning, and identifying joint requirements across components. The Department implemented these changes to enhance the effectiveness and unity of DHS operations and efforts to fulfill the Department’s mission responsibilities.⁶ In conjunction with this initiative, Secretary Johnson established the Joint Requirements Council (JRC) in June 2014 as a senior-level review board to identify crosscutting opportunities and common requirements among DHS components.⁷ The JRC identifies opportunities for joint capabilities enhancing operational outcomes and effectiveness, and creating department-wide efficiencies. The JRC also governs the Joint Requirements Integration and Management System (JRIMS), which DHS uses to review and validate component-guided analysis and identify requirements and associated gaps for major acquisitions.

³ *Major Management and Performance Challenges Facing the Department of Homeland Security* (DHS OIG-16-07), November 13, 2015; *Major Management and Performance Challenges Facing the Department of Homeland Security* (OIG-17-08), November 7, 2016; *Major Management and Performance Challenges Facing the Department of Homeland Security* (OIG-18-11), November 3, 2017; *Major Management and Performance Challenges Facing the Department of Homeland Security* (OIG-19-01), November 9, 2018; and *Major Management and Performance Challenges Facing the Department of Homeland Security* (OIG-20-02), November 13, 2019.

⁴ OMB Memorandum, *Implementing Strategic Sourcing*, May 20, 2005.

⁵ Memorandum, *Strengthening Departmental Unity of Effort*, April 22, 2014.

⁶ As recently as April 2019, DHS leadership supported a new crosscutting initiative to consolidate DHS operational coordination functions in the spirit of “Unity of Effort.”

⁷ Management Directive No. 071-02, *The Joint Requirements Council*, February 1, 2016.



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Department of Homeland Security

In line with this unity of effort approach, we conducted this audit to determine to what extent the Department ensures components are coordinating the procurement and use of small-scale drug interdiction technology (handheld chemical identification devices).

Results of Audit

DHS May Limit Cost-Savings Opportunities for Handheld Chemical Identification Devices

The Department does not have a unified approach for procuring and using handheld chemical identification devices across components. This occurred because DHS components are not required to coordinate common requirements and capability needs⁸ for minor acquisitions and procurements, such as handheld chemical identification devices. DHS also does not perform item-level spend analyses on the Department's procurement data to identify and maximize strategic sourcing opportunities for common products. Without implementing a joint approach to coordinate the procurement and use of handheld chemical identification devices, DHS risks greater costs resulting from inefficiency and duplication of effort. Additionally, DHS may limit potential cost savings from strategic sourcing opportunities.

DHS Lacks a Unified Approach for Procuring and Using Handheld Chemical Identification Devices

The Department has not identified handheld chemical identification devices as a joint mission requirement, despite multiple components using the same type of devices in the performance of day-to-day operations. We reviewed equipment lists of handheld chemical identification devices for CBP, the Coast Guard, CWMD, FEMA, and TSA and identified more than \$48.4 million in equipment commonly procured and used by these components. For example, TSA purchased 260 units of devices with the Raman technology (Device 2) and FEMA acquired 25 units of the same device model. TSA and FEMA together spent almost \$12.9 million. Additionally, we determined the unit cost varied among the components. For example, FEMA purchased Device 2 for about \$39,200 per unit, while TSA purchased it for about \$45,800 per unit. Similarly, the Coast Guard purchased Device 3 for \$46,667 per unit, while FEMA purchased it for \$54,484 per unit. Table 2 provides a breakdown of the chemical identification devices by component and shows the different unit costs.

⁸ A "capability need" is a capability required by DHS or a component to accomplish its mission.



OFFICE OF INSPECTOR GENERAL
Department of Homeland Security

Table 2: Examples of Handheld Chemical Identification Devices Procured by Components

As of August 19, 2019 ^a									
Component	Device with Raman and FTIR Technologies (Device 1)			Device with Raman Technology (Device 2)			Device with FTIR Technology (Device 3)		
	Units	Avg. Unit Cost ^c	Total Cost	Units	Avg. Unit Cost ^c	Total Cost	Units	Avg. Unit Cost ^c	Total Cost
CBP	315	\$ 90,964	\$28,653,660	14	\$42,706	\$ 597,884	8	\$46,769	\$ 374,152
Coast Guard ^b	21	119,000	2,499,000	13	61,213	795,769	3	46,667	140,001
CWMD ^b	13	119,000	1,547,000						
FEMA				25	39,242	981,050	17	54,484	926,228
TSA				260	45,819	11,912,940			
TOTAL			\$32,699,660			\$14,287,643			\$1,440,381
GRAND TOTAL	\$48,427,684								

Source: DHS OIG analysis of DHS data

^a This list is not all-inclusive of handheld chemical identification devices across the Department.

^b The unit prices for these devices are based on CWMD's estimated costs to acquire Device 1.

^c The average unit cost has been rounded to the nearest dollar.

No DHS Requirement for Components to Coordinate Common Mission Needs for Handheld Chemical Identification Devices

Although DHS has implemented processes to improve its strategic planning and joint requirements coordination across the Department, it does not require components to coordinate common mission requirements and capability needs for handheld chemical identification devices. The JRC evaluates proposed capability needs and prioritizes requirements to inform DHS investment decisions for major acquisitions (Level 1 and Level 2), as well as for programs that are highly visible or politically sensitive.⁹ However, minor acquisitions (Level 3)¹⁰ and procurements, such as chemical identification devices, are not required to be evaluated through the JRIMS process.

Components are responsible for ensuring the capability needs for minor acquisitions align with mission requirements as well as the overall mission of

⁹ Level 1 major acquisition programs are those with life-cycle costs \$1 billion or more, and Level 2 programs have life-cycle costs greater than or equal to \$300 million and less than \$1 billion.

¹⁰ Level 3 acquisition programs have life-cycle costs less than \$300 million.



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

the Department. Nevertheless, components do not coordinate the common requirements for these devices. Although components may apply the technology in the devices differently, it is a common capability. This is inconsistent with the goals of DHS' "Unity of Effort" initiative, which promotes coordination among components and a department-wide approach to acquisition strategy.

Insufficient Spend Analyses on the Department's Procurement Data to Identify Strategic Sourcing Opportunities

According to OMB's *Implementing Strategic Sourcing* memorandum, all Federal agencies are required to leverage spending whenever possible through strategic sourcing. OMB emphasized that the overall development and implementation of an agency's strategic sourcing effort should begin with a spend analysis. However, DHS does not perform item-by-item spend analyses on the Department's procurement data. Although the SSPO performs an annual spend analysis, it does not include an assessment of item-level expenditures, such as handheld chemical identification devices. Further, the FPDS-NG data SSPO uses to perform a spend analysis does not provide details on unit costs for products or services purchased even though the information is available and can be obtained from each component. Although it would take additional time to gather this information, it could provide SSPO with the data necessary to identify strategic sourcing opportunities for commonly used products or services.

For example, in 2018, CWMD received requests from its Mobile Detection Deployment Program and the Coast Guard to purchase the same device CBP uses. As of May 2019, CWMD planned to purchase 34 units of Device 1, which combines both Raman and FTIR technologies, for more than \$4 million (13 units for CWMD and 21 units for the Coast Guard). CWMD estimates a unit cost of \$119,000 to acquire this device, whereas CBP has spent on average \$90,964 or about \$28,000 less to acquire the same device model. A CWMD Program Manager stated that CWMD attempted to consolidate this purchase request with additional CBP orders for Device 1, but was unsuccessful because CBP claimed an inability to transfer equipment to outside entities. Consequently, CWMD now intends to purchase similar devices independently under a separate contract for its Mobile Detection Deployment Program and the Coast Guard.

A strategic sourcing strategy would allow CWMD to acquire Device 1 at a lower cost, potentially saving the Department about \$1 million¹¹ just from this single purchase. With the exception of this recent coordination between CWMD and

¹¹ The savings calculation is based on the difference in unit cost (\$119,000 – \$90,964) multiplied by 34 units CWMD plans to purchase (\$28,036 x 34 = \$953,224).



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

Coast Guard, each component purchased the equipment separately, and did not coordinate common requirements. Evaluating individual components' plans for purchasing handheld chemical identification devices, without a comparative analysis across the Department, may appear to be of inconsequential cost. However, with an aggregated approach, DHS could potentially realize significant cost savings. As a result, DHS did not leverage spending or maximize cost-saving opportunities as recommended by OMB's *Implementing Strategic Sourcing* Memorandum.

Conclusion

Despite the widespread use of handheld chemical identification devices across multiple components, the Department does not have a unified approach for coordinating the procurement and use of these devices. Without implementing a joint approach to acquire common devices, DHS components are not achieving goals of DHS' "Unity of Effort" initiative promoting coordinated decision making, strategic budget building, and acquisition strategy across the Department. Additionally, DHS risks greater costs resulting from inefficiency and duplication of effort and limits potential cost savings from strategic sourcing opportunities.

Recommendations

Recommendation 1: We recommend the Deputy Under Secretary for Management establish a process to coordinate and perform systematic technical reviews across components for common mission requirements and capability needs, including handheld chemical identification devices.

Recommendation 2: We recommend the Chief Procurement Officer:

- a. perform an annual item-by-item spend analysis of components' procurement data including the vendor, actual product or service, number of units, unit cost, and total cost, in order to identify common products and services; and
- b. based on results of the annual analysis, initiate strategic sourcing strategies for products and services with cost-saving opportunities.

Management Comments and OIG Analysis

DHS concurred with recommendation 1 but did not concur with recommendation 2. Appendix A contains DHS management comments in their entirety. We also received technical comments on the draft report and revised the report as appropriate. A summary of DHS' responses and our analysis follows.



OFFICE OF INSPECTOR GENERAL
Department of Homeland Security

Deputy Under Secretary for Management Response to Recommendation 1:

The Deputy Under Secretary for Management (DUSM) concurred with recommendation 1. According to DUSM, the Department has processes in place to coordinate and perform systematic technical reviews across components for common mission requirements and capability needs and it is unnecessary to establish any new processes. The Department will continue to address Level 3 acquisitions at the component level in conjunction with relevant commodity councils and working groups such as the Detection Equipment Commodity Council (DECC)¹² or the Illicit Drugs Detection Working Group (IDDWG).¹³ Additionally, the Department is drafting guidance requiring component personnel to comply with the spirit and intent of its JRIMS directive and instruction manual for programs not routinely monitored by the JRC. The DUSM estimated a completion date of January 31, 2020.

OIG Analysis of DUSM Comments: Although the Department has existing processes for coordinating common mission requirements and capability needs, gaps exist for acquisitions costing less than \$300 million. The JRC evaluates proposed capability needs and prioritizes requirements for major acquisitions (Level 1 and Level 2) but components are not required to use the JRIMS process for minor acquisitions (Level 3), such as handheld chemical identification devices. Additionally, components are not required to participate in commodity councils and working groups like the DECC or the IDDWG. Each of the components we identified in this report bypassed the commodity groups during the acquisition of the devices. The existing processes do not ensure DHS or its components identify minor acquisitions with common requirements and coordinate with other potential components that could benefit.

We also reviewed DHS' proposed new guidance requiring components comply with the spirit and intent of its JRIMS policies. The proposed guidance did not include a process for the Department to coordinate and perform systematic technical reviews across components for Level 3 acquisitions with common mission requirements and capability needs. Without implementing a process to address this gap, the Department will continue to risk greater costs resulting from inefficiency and duplication of effort. We consider this recommendation open and unresolved until DHS proposes a process ensuring components coordinate on Level 3 acquisitions and an estimated date for implementing it.

¹² DHS formalized the DECC in November 2014. Its purpose is to develop and implement a DHS-wide strategy for the effective and efficient acquisition, coordination, and utilization of detection equipment.

¹³ The IDDWG promotes the sharing of information between the relevant stakeholders from DHS component organizations and other Federal agencies and aims to provide direction in the development of department-wide requirements, standards, and technological solutions for the detection of illicit drugs.



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

Office of the Chief Procurement Officer Response to Recommendation 2:

The Office of the Chief Procurement Officer (OCPO) did not concur with recommendation 2. The OCPO disagreed an item-by-item spend analysis is an efficient method or a proactive strategy for identifying strategic sourcing across the Department. According to the OCPO, collecting procurement data from each component would be a time- and labor-intensive process and historical information is not indicative of future demand. Additionally, the OCPO pointed out DHS was recognized in 2012 as a leader for implementing strategic sourcing contract vehicles in the Federal Government. The OCPO requested the recommendation be closed upon issuance of the final report.

OIG Analysis of OCPO Comments: OIG acknowledges DHS was recognized in 2012 as a leader for implementing strategic sourcing contract vehicles in the Federal Government. However, process improvements are needed for the Department to continue as a leader. The Department's processes do not ensure minor acquisitions that may be potential strategic sourcing opportunities are identified and coordinated with the SSPO. Consequently, a spend analysis is essential as the Department's last line of defense for identifying cost-savings opportunities. We acknowledge that reviewing individual components' approaches to purchasing handheld chemical identification devices may appear to be of inconsequential cost. However, with an aggregated approach DHS could potentially realize significant cost savings.

The DHS annual spend analysis does not include an assessment of item-level expenditures, which is necessary to identify the Department's commonly used products and services. Although we recognize this process may be labor-intensive to start, the results could provide the Department with valuable information to identify strategic sourcing opportunities for commonly used products or services, such as the devices we discussed in the report. Additionally, performing this type of analysis could lead to significant cost efficiencies across the Department. We consider this recommendation unresolved. It will remain open until DHS provides documentation to support how its actions fully meet the intent of the recommendation.

Objective, Scope, and Methodology

The Department of Homeland Security Office of Inspector General was established by the *Homeland Security Act of 2002* (Public Law 107-296) by an amendment to the *Inspector General Act of 1978*.

We conducted this audit to determine to what extent the Department ensures components coordinate procurement and use of small-scale drug interdiction technology (handheld chemical identification devices). This is the second



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

report generated from our review of DHS' use of technology for illicit drug interdiction. Our first report, DHS OIG-19-67, *Limitations of CBP OFO's Screening Device Used to Identify Fentanyl and Other Narcotics*, was issued on September 30, 2019. To achieve our audit objective, we interviewed officials from the following DHS headquarters offices to obtain an understanding of their roles, responsibilities, and processes for coordinating small-scale technology across the Department:

- Border Security Technology Consortium
- Detection Equipment Commodity Council
- JRC
- OCPO
- Office of Strategy, Policy, and Plans
- Program Analysis and Evaluation
- SSPO

We also interviewed representatives from CBP, Coast Guard, CWMD, FEMA, U.S. Immigration and Customs Enforcement, Science and Technology Directorate, and TSA to obtain an understanding of their use of small-scale technology.

To gain an understanding of how devices with chemical identification technology are used across these components, we requested and reviewed CBP, Coast Guard, FEMA, and TSA equipment lists for handheld chemical identification devices purchased between March 2008 and July 2019. We also reviewed corresponding purchase orders and contract files and CWMD's purchasing requirements for Device 1. Because the component equipment lists did not match the contract award and procurement documentation in all instances, we did not rely on the provided equipment lists to support our findings, conclusions, and recommendations. Instead, using the contract and purchase order documentation, we totaled the number of units purchased and calculated the average unit price and total costs of each device by component. We believe this to be a sufficiently reliable approach to support our audit conclusions.

To understand how SSPO prepares spend analyses and the data it uses, we reviewed SSPO's fiscal year 2017 spend analysis of procurements and supporting data. We reviewed the JRC directive and the JRIMS manual to understand JRC's responsibility and process for validating capability needs and operational requirements across DHS components. We reviewed policies, procedures, directives, memoranda, and other documents related to strategic sourcing, as well as the policies, procedures, directives, and memoranda relating to DHS' "Unity of Effort" initiative. We also reviewed prior DHS OIG



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

and Government Accountability Office audit reports as they related to our audit objective.

We conducted this performance audit between November 2018 and August 2019 pursuant to the *Inspector General Act of 1978*, as amended, and according to the generally accepted government auditing standards. Those standards require we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based upon our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based upon our audit objectives.

The Office of Audits major contributors to this report are Christine Haynes, Director; Loretta Atkinson, Audit Manager; Julian Brown, Auditor-in-Charge; Renee Foote, Auditor; Deborah Mouton-Miller, Communications Analyst; and Stephen Doran, Independent Referencer.



OFFICE OF INSPECTOR GENERAL
Department of Homeland Security

Appendix A
DHS Comments to the Draft Report

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



December 23, 2019

MEMORANDUM FOR: The Honorable Joseph V. Cuffari
Inspector General

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

SUBJECT: Management Response to Draft Report: "DHS Should Seek a
Unified Approach when Purchasing and Using Handheld
Chemical Identification Devices
(Project No. 18-074-AUD-DHS (a))

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 report.

The Department is pleased to note OIG's recognition that DHS implemented process changes to improve strategic planning and joint requirements coordination across the Department. DHS remains committed to promoting greater coordination among components, greater centralized decision making by leadership, a unified and strategic approach to the budget building process, and a Department-wide approach to acquisition strategy.

The draft report contained two recommendations, one with which DHS concurs and one with which it non-concurs. Attached find our detailed response to each recommendation. DHS previously submitted technical comments under a separate cover.

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

Attachment



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

Attachment: Management Response to Recommendations Contained in OIG-18-074-AUD-DHS (a)

The OIG recommended that:

Recommendation 1: The Deputy Under Secretary for Management [DUSM] establish a process to coordinate and perform systematic technical reviews across components for common mission requirements and capability needs, including handheld chemical identification devices.

Response: Concur. The Department agrees with the need for a unified approach to coordinating and performing systematic technical reviews across components for common mission requires and capability needs, including those for handheld chemical identification devices. However, processes are already in place that address this need, and therefore it is unnecessary to establish any new separate processes.

Specifically, DHS' Joint Requirements Council (JRC) exists to advance the goals and objectives set forth by the Secretary of Homeland Security toward building a more unified and operationally effective and efficient organization through the creation of a component-driven joint requirements process. For Department level and/or multi-component mission execution, the JRC governs all requirements efforts and provides the Deputy's Management Action Group with recommendations for investment, as well as changes to training, organization, laws, and operational processes and procedures, as appropriate.

The Joint Requirements Integration and Management System (JRIMS) is a process by which the Department reviews and validates sponsored-guided analysis and identifies requirements, and associated gaps. JRIMS works towards promoting accountability within the Department's *strategic* objectives, focusing on Level 1, Level 2, joint acquisition efforts, and other Master Acquisition Oversight List (MAOL) programs. The JRC validates and prioritizes requirements, and those validated requirements are recommended for implementation. The requirements are tracked and assessed through material and non-material implementation processes. More *tactical* objectives and related requirements/capabilities (i.e., Level 3, single component, or non-MOAL) are addressed at the Component level in conjunction with relevant commodity councils and working groups, which makes sense given the cost versus benefit of a DHS Headquarters element reviewing these less costly acquisitions and procurements.

For example, the Detection Equipment Commodity Council develops and implements strategies for the effective and efficient acquisition, coordination, sustainment, and utilization of detection equipment across the Department, such as the handheld chemical identification devices cited in this report. Additional commodity councils and working



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

groups that coordinate procurements across Components include the Illicit Drugs Detection Working Group, the Uniforms Commodity Council, and the Weapons and Ammunition Commodity Council.

The Government Accountability Office (GAO) previously identified an opportunity for DHS to help ensure that Component's programs are set-up to meet end user needs and close capability gaps (see GAO-18-550, "DHS ACQUISITIONS: Additional Practices Could Help Components Better Develop Operational Requirements," dated August 8, 2018). In response to this report, the DUSM will soon issue additional Component requirements policy guidance further refining policies outlined in Directive 107-01, "JRIMS," dated March 8, 2016, and procedures in Instruction Manual 107-01-001-01, "Operation of the JRIMS," dated September 20, 2018. This guidance will relate specifically to Components' adherence to JRIMS standards and provisions for the applicability of DHS requirements development policies while Components develop or update their existing guidance. The guidance will also specifically require Components to ensure compliance with the spirit and intent of the aforementioned directive and instruction manual for programs not routinely monitored by the JRC. This action will help promote consistency in requirements development across the Components and further align efforts within the Department.

Estimated Completion Date: January 31, 2020.

Recommendation 2: The Chief Procurement Officer:

- a) Perform an annual item-by-item spend analysis on components' procurement data that includes the vendor, actual product or service, number of units, unit cost, and total cost, in order to identify common products and services; and
- b) Based on results of the annual analysis, initiate strategic sourcing strategies for products and services with cost-saving opportunities.

Response: Non-concur. The DHS Office of the Chief Procurement Officer (OCPO) does not agree that OIG's recommended analysis is an efficient method, or a proactive strategy, to identify strategic sourcing opportunities across the Department. The item-by-item detail information requested by the recommendation is not readily available and cannot be extracted from the Federal Procurement Data System-Next Generation. OCPO would need to collect this information from each component for thousands of procurements; a process that is prohibitively labor-and-time-intensive. Moreover, this type of analysis only provides historical information on past procurements, which is not indicative of future demand and strategic sourcing strategies.

The OCPO's Strategic Sourcing Program Office, however, focuses on identifying strategic sourcing opportunities using proactive strategies (e.g. commodity councils and networking) that enable the Department's involvement prior to contract award. DHS is



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consequently able to develop, deploy, and maintain sourcing strategies that enhance mission performance and optimize commodity management. It is also important to note that throughout the years, DHS has been recognized as a leading implementer of strategic sourcing contract vehicles within the Federal Government. For example, in its report GAO-12-947, "HOMELAND SECURITY: DHS Has Enhanced Procurement Oversight Efforts, but Needs to Update Guidance," dated September 10, 2012, the GAO stated that "[t]he Office of Management and Budget's Office of Federal Procurement Policy has cited DHS's efforts among best practices for implementing federal strategic sourcing initiatives."

We request that the OIG consider this recommendation resolved and closed.



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Appendix B
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