

DEPARTMENT OF HOMELAND SECURITY

Office of Inspector General

Department of Homeland Security's
Procurement and Program Management
Operations



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General*

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



**Homeland
Security**

Preface

The Department of Homeland Security (DHS) Office of Inspector General (OIG) was established by the Homeland Security Act of 2002 (*Public Law 107-296*) by amendment to the Inspector General Act of 1978. This is one of a series of audit, inspection, and special reports prepared as part of our oversight responsibilities to promote economy, effectiveness, and efficiency within the department.

At the request of the Secretary, this report assesses the weaknesses of the DHS' procurement and program management operations. It is based on interviews with employees and officials of relevant agencies and institutions, direct observations, and a review of applicable documents.

The recommendations herein have been developed to the best knowledge available to our office, and have been discussed in draft with those responsible for implementation. It is our hope that this report will result in more effective, efficient, and economical operations. We express our appreciation to all of those who contributed to the preparation of this report.

A handwritten signature in cursive script that reads "Richard L. Skinner".

Richard L. Skinner
Inspector General

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Abbreviations

ASI	Acquisition Solutions, Inc
CAPS	Center for Advanced Purchasing Studies
IRB	Investment Review Board
OCPO	Office of Chief Procurement Officer
TSA	Transportation Security Administration

*Department of Homeland Security
Office of Inspector General*

Executive Summary

At the request of the Secretary, the Office of Inspector General (OIG), in coordination with the Office of Chief Procurement Officer (OCPO), conducted an assessment of the Department of Homeland Security's (DHS') procurement and program management operations. Our purpose was to identify significant weaknesses that may threaten the integrity of these operations. We will use this assessment to identify priorities for future OIG audit work.

We conducted this assessment between April 1, 2005 and April 29, 2005. We reviewed prior Government Accountability Office (GAO) and OIG reports, interviewed DHS procurement and project management personnel, and obtained input from OCPO. A bibliography of the OIG and GAO reports reviewed is attached in Appendix C. The nature and brevity of this assessment precluded the use of our normal audit protocols; therefore, this review was not conducted in accordance with generally accepted government auditing standards. (Refer to Appendix A – Purpose, Scope, and Methodology)

Background

DHS purchased almost \$9.8 billion of goods and services in fiscal year (FY) 2004 through a variety of procurement methods such as contracts, delivery orders, interagency agreements, and purchase cards. In making these procurements, DHS processed almost 60,000 procurement actions, not including credit card purchases. DHS procurement statistics are attached in Appendix D.

We identified a number of vulnerabilities and potential vulnerabilities that need to be addressed. These vulnerabilities fall into three general categories: adherence to ethical conduct, program management, and procurement management.

Adherence to Ethical Conduct

Executive Order 12674, dated April 12, 1989, as amended, addresses principles of ethical conduct and requires the avoidance of improper practices and conflicts of interest, which in the procurement context can result in fraud, inappropriate use of sole source contracts and cost-reimbursement type contracts as well as excessive award fee evaluations. For example, the Standards of Ethical Conduct for employees of the Executive Branch, 5 CFR Part 2635, prohibit soliciting or accepting, directly or indirectly, any gratuity, gift, favor, entertainment, loan, or anything of monetary value from anyone who (a) has or is seeking to obtain Government business with the employee's agency, (b) conducts activities that are regulated by the employee's agency, or (c) has interests that may be substantially affected by the performance or nonperformance of the employee's official duties. These requirements apply to program personnel who are involved in the procurement process as well as to procurement personnel and other employees of the Executive Branch.

Section 2638.703 of Title 5 of the Code of Federal Regulations requires an agency ethics orientation of at least one hour for all new employees and that each employee receive a copy of the Standards of Ethical Conduct. These standards cover such issues as: gifts from outside sources, gifts between employees, conflicting financial interests, impartiality in performing official duties, seeking other employment, misuse of position, and outside activities. In addition, agencies are required to provide annual ethics training for contracting officers among other employees.

Section 423 of Title 41 United States Code, among other things, prohibits a former official's acceptance of compensation from a contractor as an employee, officer, director, or consultant of the contractor within a period of one year after the former official was significantly involved in the award or administration of a contract in excess of \$10 million. This restriction applies

to contracting officers, program managers, source selection authority, members of source selection evaluation boards, or chiefs of financial or technical evaluation teams, among others. Additionally, Section 423 requires agency officials participating personally and substantially in certain procurements to report any offers of employment from competing contractors and to reject the offer or disqualify themselves from further participation in the procurement.

We recently identified an instance where a Transportation Security Administration (TSA) program official exercised improper influences on procurements. The TSA program official bypassed procurement internal controls. During the administration of a contract for the Transportation Services Operation Center, he procured over \$500,000 of decorative items i.e., art and silk plants, and miscellaneous artwork and decorations from a tool company who had previously never sold such merchandise. The TSA program official required the contractor to revise invoices to hide the true nature of these purchases. By insisting that the tool company submit invoices before the final costs were known, he also approved more than \$83,000 in overpayments to the tool company. The TSA program official had a prior business and personal relationship with the tool company and its owners. Within weeks of his resignation from TSA, the individual started a new business with the tool company's owners. This incident is currently under investigation.

DHS' close relationship with the private sector resulting from its many partnership arrangements, raises concerns that the minimal initial and annual Government ethics training may be insufficient to address standards of conduct issues as they apply to procurement. Senior program and procurement officials would benefit from expanded training and guidance on their procurement ethics responsibilities and the consequences of violating procurement ethics standards both before and after their federal employment tenure.

In an effort to detect and prevent procurement fraud within DHS, we are participating on the Procurement Fraud Working Group, a multi-agency effort involving the U.S. Attorney for the Eastern District of Virginia and numerous federal law enforcement offices. Our investigators are actively reviewing suspect procurements and providing fraud awareness and prevention outreach to DHS procurement officials.

Program Management

Program management can be defined as the application of the systems approach to the planning and execution of a set of interrelated tasks which, when completed, satisfies some technical, business or social objective. This is

especially true for technological programs, whose objectives are explicitly stated in terms of time, cost and performance requirements. Federal agencies frequently apply program management techniques to oversee complex acquisition programs. The systems approach emphasizes treating the program components as a whole to maximize product performance while simultaneously minimizing program costs and development time. This approach uses such techniques as systems engineering and analysis, simulated models, earned value management, integrated master plans and schedule, work breakdown structures, test and evaluation, and integrated product and process development.

DHS Needs More Certified Program Managers

Some DHS organizational components have reported a shortage of certified program managers to manage the Department's programs. DHS has identified 110 major programs, but only 93 out of 175 program managers are currently certified. Complex and high dollar contracts require multiple program managers. For example, the Deepwater program had 74 program management staff members supporting the program during FY 2003.

DHS has recently taken steps to improve the quantity and quality of program management within the department. In May 2004, DHS instituted a program management certification process which requires increasing levels of program management certification (Levels I – III) based on varying levels of training and experience. A higher level certification is required to manage a higher dollar value program. For example, Level I Certification is required for programs with annual costs ranging from \$5 – 50 million or life-cycle costs ranging from \$20 – 100 million. Level III certification is required for programs with annual costs exceeding \$100 million or life-cycle costs exceeding \$200 million.

Lack of Department-wide Policies and Procedures for Program Management Exists

No DHS organization is responsible for establishing department-wide policies and procedures for program management. This function is critical, given the numerous mission-critical programs underway that are managed by DHS components. Some DHS organizational components have reported establishing program management processes within their components. We were not able to assess the adequacy or consistency of these processes due to the limited duration of our review. However, the need for effective department-wide standards for program management processes should not be underestimated. We plan to do additional work in this area as part of our procurement operations strategy. The Science and Technology Directorate recently established the Homeland Security Institute as a Federally Funded Research and Development Center to provide independent analysis on program management issues. While this is an important first step, the

department's need for an internal advocate for effective program management remains unfilled.

Investment Review Board (IRB) Process Needs Strengthening

Both DHS organizational components and the GAO have identified problems with DHS IRB practices to date. DHS instituted the IRB process to integrate capital planning and investment control, ensure investments support DHS' missions, and consolidate duplicative efforts. The DHS model does not have much of the DOD model's detailed departmental reviews, which provide decision makers with advice from functional experts, such as operational test evaluators and independent cost estimators. Also, the IRB process emphasizes approval and scoring of a specific program plan, rather than selection from various alternatives.

DHS organizational components have reported problems with the IRB process, including:

- unclear as to what steps program managers have to complete during the IRB process;
- substantial amounts of required documentation with no standards for many of the documentation requirements;
- lack of a dedicated IRB staff to review the documentation and provide the required necessary independent advice; and
- lengthy period for programs to obtain funding through the IRB process, thereby jeopardizing mission accomplishment.

The GAO also identified several problems with the current IRB process, including:

- mechanisms not in place to ensure that designs perform as expected and resources match customer needs before investing additional resources;
- need for program managers to receive formal training on the IRB process;
- established standards do not exist for required documentation and documents are rejected with little or no explanation;
- no requirement for critical system and subsystem reviews before production decisions, and
- in practice, major services acquisitions are not subject to IRB review.

GAO's recommendations include strengthening IRB policies, increasing stakeholder input, providing formal training on IRB requirements, and using the IRB to review major service acquisitions. DHS has agreed to implement GAO's recommendations. While we agree with GAO's specific recommendations, we believe that more fundamental changes are warranted in the department's management and oversight of complex programs in general.

Contract Technical Requirements are Sometimes Inadequately Defined

Several DHS procurements have encountered problems because contract technical and performance requirements were not well defined. For example, the Geographic Information System (GIS) supporting the United States Coast Guard's Port Security Assessment Program is being developed without identified GIS functional requirements. Likewise, the Transportation Security Administration has not established a complete plan identifying specific system functionality that will be delivered with its Computer-Assisted Passenger Prescreening System. Best practices in industry call for carefully identifying the functional requirements.

Audits by both GAO and our office have found that inadequate contract technical requirements, such as statements of work or specifications, can result in substantial cost growth, lengthy schedule delays and occasional failure to meet critical mission requirements. For example, TSA faced particular performance specification, scheduling, and cost growth challenges in administering the NCS Pearson contract for hiring airport security screeners. By approving programs without adequately defined technical requirements, DHS risks likely adverse cost and schedule consequences. Other Federal agencies use a combination of procurement and program management oversight to improve contract technical requirements.

Over-Emphasis on Expediting Contract Awards May Jeopardize Departmental Effectiveness

We have reported instances, particularly at TSA, where contracts have been expedited to quickly improve the nation's security status, especially in response to Congressionally imposed deadlines in the aftermath of 9/11. Some DHS procurement offices report a continuing perceived need to award contracts quickly. However, programs developed at top speed can sometimes overlook key issues during program planning and development of mission requirements. Also, an over-emphasis on expedient contract awards may hinder competition, which frequently results in increased costs. Finally, expediting program schedules and contract awards may limit the time available for procurement planning and development of adequate contract technical requirements leading to higher costs, schedule delays, or even failures to meet critical mission requirements.

Procurement Management

Seven of the eight procurement organizations currently housed within DHS are procurement offices that joined DHS from their legacy agencies. The eighth organization, the Office of Procurement Operations, was created to

serve the needs of DHS organizations that did not have dedicated procurement support, such as the Science and Technology Directorate and the Information Analysis and Infrastructure Protection Directorate.

Disparities in Staffing Among DHS Procurement Organizations Exist

DHS procurement organizations have substantial disparities in the amount of awards per procurement staff person. We looked at data from both the Office of Personnel Management's FEDSCOPE database and OCPO to determine the number of procurement staff assigned to each office. The amount of awards per procurement staff person using this data ranges from a low of about \$3 million up to \$30 million depending on the DHS procurement organization. Staffing and contract award data for each procurement organization is included in Appendix D. Since procurement staff throughout DHS is severely limited, DHS needs to organize and use available procurement staff in the most effective manner.

In addition, some DHS procurement offices may be significantly understaffed, based on separate studies by the Center for Advanced Purchasing Studies (CAPS) and Acquisition Solutions, Inc. (ASI). The CAPS study found that the average amount spent per procurement employee was \$5.3 million for Aerospace/Defense contractors¹. The ASI compared average spending per procurement employee in other federal agencies with similar buying profiles and found average spending per employee ratios ranging from \$6.3 million to \$8.8 million. DHS' average spending per procurement employee of \$12 - \$13 million is significantly higher than either of these studies with some DHS offices spending an average of \$25 - 30 million per person. Many procurement offices have reported that their lack of staffing prevents proper procurement planning and severely limits their ability to monitor contractor performance and conduct effective contract administration.

The GAO reported that the Office of Procurement Operations lacks sufficient staff and relies on interagency agreements to manage the workload. The Office of Procurement Operations used interagency agreements to process over 80% of its procurement during FY 2004 compared to the DHS average of about 31%. GAO recommended that DHS conduct a department-wide assessment of the staffing patterns within its eight procurement offices, and take steps to correct workload imbalances by re-aligning resources.

OCPO Lacks Sufficient Staff and Authority to Conduct Effective Oversight

The GAO reported that, until recently, OCPO had only two people to conduct oversight on the eight separate procurement offices and almost \$9.8 billion in

¹ ASI, working with OCPO, determined that the Aerospace/Defense category of contractors best matched DHS' contracting profile.

procurement activity during FY 2004. The fiscal year 2005 budget provided OCPO with five additional staff, but GAO could not conclusively determine that the increase would be adequate to implement the oversight program. GAO also stated that OCPO has unclear authority to ensure compliance with DHS procurement policies and procedures. GAO recommended that DHS provide OCPO with sufficient resources and enforcement authority to enable effective department-wide oversight of acquisition policies and procedures. Independent OCPO oversight could help DHS ensure the integrity of the procurement process.

A number of other Federal agencies, such as the Departments of Defense and Energy, as well as the National Aeronautics and Space Administration use independent oversight in both the procurement and program management areas to help improve agency operations and ensure compliance with agency policies and procedures. The effectiveness of these organizations is enhanced by their independence and direct line of reporting to the head of their agency.

Conclusion: DHS' vulnerability to procurement fraud, waste, and abuse can be reduced by emphasizing procurement ethics responsibilities and providing a robust support structure for both program and procurement management.

Recommendations

We recommend that DHS:

1. Require expanded procurement ethics training for senior program and procurement officials.
2. Ensure procurement and program management oversight processes monitor departmental procurement activities for potential standards of conduct violations.
3. Create and staff a DHS organization that will:
 - a. develop program management policies and procedures;
 - b. provide independent technical support to DHS senior management and organizational component program managers on an as-required basis; and
 - c. identify and foster best practices.
4. Optimize procurement organization resources and structure across DHS, based on analysis and recommendations from OCPO.
5. Provide OCPO with sufficient staff and authority to effectively conduct oversight of DHS' procurement operations.

Management Comments and OIG Analysis

We obtained written comments as well as a plan of action (Appendix B) on a draft of this report from DHS. DHS concurred with our recommendations. Below is a summary of DHS' response to each recommendation and our assessment of the response.

Recommendation 1: Require expanded procurement ethics training for senior program and procurement officials.

DHS concurred, and is moving ahead with implementation. The training program will be completed by December 2005 and delivered to senior leaders by March 2006. We consider this recommendation to be resolved, and will close it when implementation is complete.

Recommendation 2: Ensure procurement and program management oversight processes monitor departmental procurement activities for potential standards of conduct violations.

DHS concurred, and is moving ahead with implementation. DHS is finalizing a Management Directive on the Acquisition Oversight Program that will increase the Department's ability to monitor procurement activities for potential standards of conduct violations. We consider this recommendation to be resolved, and will close it when implementation is complete.

Recommendation 3: Create and staff a DHS organization that will:

- a. develop program management policies and procedures;
- b. provide independent technical support to DHS senior management and organizational component program managers on an as-required basis; and
- c. identify and foster best practices.

DHS concurred, and is moving ahead with implementation. DHS has included in the FY 2007 budget authorization and funding to establish a Departmental Program Management (PM) Office within the Office of the CPO. In the interim, DHS will attempt to fund 2-3 staff members for program management support in FY 2006 pending resolution of the FY 2006 appropriations bill. We consider this recommendation to be resolved, and will close it when implementation is complete.

Recommendation 4: Optimize procurement organization resources and structure across DHS, based on analysis and recommendations from OCPO.

DHS concurred, and is taking steps to address staffing shortages and disparities. CPO has provided input to the CFO for the FY 2007 to FY 2011 budgets to support increased staffing. In addition, several DHS organizational

elements are working to address staffing shortfalls within existing budgets in advance of FY 2007. We consider this recommendation to be resolved, and will close it when implementation is complete.

Recommendation 5: Provide OCPO with sufficient staff and authority to effectively conduct oversight of DHS' procurement operations.

DHS concurred and is taking steps to address staffing shortages and authority. Procurement staffing for oversight responsibility has increased from two to seven and ten additional personnel are requested in the FY 2007 budget request. DHS is also finalizing a Management Directive on the Acquisition Oversight Program that will provide formal authority to conduct oversight. We consider this recommendation to be resolved, and will close it when implementation is complete.

Appendix A

Purpose, Scope, and Methodology

We conducted this assessment between April 1, 2005 and April 29, 2005. We reviewed prior Government Accountability Office (GAO) and OIG reports, interviewed DHS procurement and project management personnel, and obtained input from OCPO. A bibliography of the OIG and GAO reports reviewed is attached in Appendix C. The nature and brevity of this assessment precluded the use of our normal audit protocols; therefore, this review was not conducted in accordance with generally accepted government auditing standards. Had we followed such standards, other matters may have come to our attention.

Throughout this assessment, we worked closely with OCPO in identifying vulnerabilities and developing recommendations. Various procurement and program officials within the organizational elements also participated and provided valuable insights into DHS procurement and program management operations.

Appendix B
Management's Comments to the Draft Report

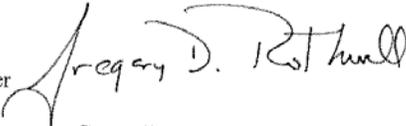
U.S. Department of Homeland Security
Washington, DC 20528



**Homeland
Security**

July 5, 2005

MEMORANDUM FOR: Acting Inspector General
Richard L. Skinner

FROM: Gregory D. Rothwell
Chief Procurement Officer 

SUBJECT: Response to the Acting Inspector General's Assessment of
Homeland Security's Acquisition Program

On behalf of Secretary Chertoff, I am responding to your memorandum of May 2, 2005 concerning the Department of Homeland Security's acquisition program, including its current state and potential vulnerabilities. I am encouraged by the specific recommendations you made and believe they will assist us in making essential improvements in the Department's acquisition program.

My assessment of your findings, together with a detailed plan of action and milestones for implementing corrective measures, is attached to this memo. In summary, I concur wholly with your findings and recommendations, expanding upon the recommendations to provide a detailed approach for implementing required corrective measures.

Please accept my thanks for the work you and your staff have done to identify some current vulnerabilities in this critical function. Your staff worked closely with us to ensure a sound analysis was completed despite the short timeframe of this review. We look forward to continuing to work with you to build a 21st century acquisition program for the Department. Please contact me directly should you have questions or require additional information.

Attachment

cc: Secretary Chertoff
Deputy Secretary Jackson
Under Secretary for Management
General Counsel

www.dhs.gov

Appendix B

Management's Comments to the Draft Report

Chief Procurement Officer Corrective Actions to Inspector General Findings and Recommendations

1. Adherence to Standards of Conduct

Finding:

The IG reports that there was an instance of an actual violation within DHS and recommends expanded ethics training for senior program and procurement professionals and increased oversight to monitor departmental procurement activities for potential standards of conduct violations.

Corrective Action:

Concur: The CPO agrees to work with the IG to ensure appropriate investigative and management support to allegations of misconduct in acquisition matters. Further, the CPO in coordination with the Designated Agency Ethics Official and the General Counsel will develop and present to senior leadership and DHS personnel involved in the acquisition process expanded ethics training. The training program will be completed by December 2005 and delivered to senior leaders by March 2006. Other personnel involved in the acquisition process will receive the training during FY06. The OCPO is currently finalizing a Management Directive (MD) on the Acquisition Oversight Program that will increase the Department's ability to monitor procurement activities for potential standards of conduct violations. The MD will be released by September 2005.

2. Staffing Shortages and Disparities

Finding:

The IG reports that the eight DHS procurement organizations have substantial disparities among one another and in the amount of awards per procurement staff person. The IG finds that some of the eight DHS procurement offices may be significantly understaffed and notes that procurement offices have reported that their lack of staffing prevents proper planning and limits their ability to monitor contractor performance and conduct effective contract administration. The IG notes that GAO has also found that one of the eight procurement offices, the Office of Procurement Operations lacks sufficient staff and relies on other agencies outside of DHS to manage 80% of its workload.

The IG recommends that since procurement staffing throughout DHS is severely limited, DHS needs to organize and use available procurement staff in the most effective manner. The IG recommends that the DHS conduct a department-wide assessment of staffing patterns within the eight procurement offices and take steps to correct workload balances by realigning resources.

Appendix B

Management's Comments to the Draft Report

Corrective Action:

Concur: An independent staffing study was completed in April of 2004 by Acquisition Solutions Incorporated. The GAO reviewed this study and found it credible. The CPO established a target staffing level below the levels recommended by the study of between 1.2% and 1.9% cost to spend and communicated this target level to DHS components in writing on April 28, 2005. The CPO provided input to the CFO for the FY07 to FY11 budgets to support the 1.2% to 1.9% staffing levels on June 10, 2005. CBP, TSA, ICE, OPO, and FEMA are working to address this staffing shortfall within existing budgets in advance of FY07. The CPO will be monitoring progress by each Component and reporting semi-annually to the Secretary beginning October 1, 2005.

3. Program Management

Finding:

The IG finds that there is a shortage of certified program managers within DHS; that there are no department wide policies and procedures for program management; and there is no single DHS organization responsible for establishing department-wide policies and procedures for program management. Specifically, there are 115 Level I and II programs (greater than \$50 million), however only 18 are led by certified program managers.

Corrective Action:

Concur: Both the IG and DHS recognize that this vulnerability will take years to completely address. However, several actions have been taken to date. A Management Directive establishing a Program Management Training and Certification Program was issued in May of 2005. A current agreement exists with the Defense Acquisition University for Program Management training and the CPO is exploring the feasibility of creating a "DHS University" for this training. A request was put in the FY07 budget for 8 FTE plus \$5 million in other expenses to establish a Departmental Program Management (PM) Office within the Office of the CPO. This office will seek to create a cadre of qualified PM candidates, conduct outreach, train and certify PM's, and develop and maintain PM tool sets, policies and procedures. The estimated completion date for establishing this office is January 2007. USM will attempt to fund 2-3 FTE in FY06 pending resolution of FY06 appropriations bill. In the interim, additional emphasis will be placed on assuring that a program management office is in place on Level I and II initiatives as part of the Investment Review Board governance process.

Appendix B

Management's Comments to the Draft Report

4. The Office of the Chief Procurement Officer lacks sufficient staff and authority to conduct effective oversight

Finding:

The IG concurs with the GAO finding that the staffing level within the OCPO for oversight of the Department's acquisition program is insufficient. Currently there are 7 people with oversight responsibility of a \$13 billion acquisition budget.

Corrective Action:

Concur: Ten additional FTE are requested in the FY07 budget request. Prior to this, CPO will work on a hiring strategy that is subject to availability of FY 06 funding.

5. Expediting contract awards may jeopardize departmental effectiveness

Finding:

The IG finds instances where procurements were accelerated while requirements of law including obtaining competition were overlooked.

Corrective Action:

Concur: The OCPO understands the critical mission of the DHS and knows that the mission can be met in a timely manner consistent with federal law. Specific actions to address this issue will include developing a DHS Advance Procurement Plan (APP) for all acquisitions over \$1 million and customer outreach to extend acquisition service earlier in the process. The APP will be collected annually and issued by December 2005 for FY06 and by September 30, 2006 for FY07.

6. Investment Review Board

Finding:

The IG finds that the Investment Review Board process needs strengthening.

Corrective Action:

The Chief Financial Officer (CFO) will issue revised guidance and policy on the IRB that will strengthen the process and address both IG and GAO concerns.

Department of Homeland Security – Office of Inspector General (OIG) Documents

- “Irregularities in the Development of the Transportation Security Operations Center” (OIG-05-18, March 2005)
- “Review of the Port Security Grant Program” (OIG-05-10, January 2005)
- “Major Management Challenges Facing the Department of Homeland Security” (OIG-05-06, December 2004)
- “Re-Engining of the HH-65 Helicopter United States Coast Guard” (OIG-04-50, September 2004)
- “Evaluation of TSA’s Contract for the Installation and Maintenance of Explosive Detection Equipment at United States Airports” (OIG-04-44, September 2004)
- “DHS Challenges in Consolidating Terrorist Watch List Information” (OIG-04-31, August 2004)
- “Improvements Needed to DHS’ Information Technology Management Structure” (OIG-04-30, July 2004)
- “Survey of the Science and Technology Directorate” (OIG-04-24, March 2004)
- “Review of the Status of Department of Homeland Security Efforts to Address Its Major Management Challenges” (OIG-04-21, March 2004)
- “An Audit of FEMA’s Acquisition Workforce” (OIG-04-12, March 2004)
- “Semiannual Report to the Congress” October 1, 2003 – March 31, 2004
- “Survey of the Information Analysis and Infrastructure Protection Directorate” (OIG-04-13, February 2004)
- “Semiannual Report to the Congress” October 1, 2002 – March 31, 2003

Government Accountability Office (GAO) Documents

- “Homeland Security Successes and Challenges in DHS’s Efforts to Create an Effective Acquisition Organization” (GAO-05-179, March 2005)
- “Homeland Security Overview of Department of Homeland Security Management Challenges” (GAO-05-573T, April 2005)
- “Coast Guard Preliminary Observations on the Condition of Deepwater Legacy Assets and Acquisition Management Challenges” (GAO-05-307T, April 2005)
- “Defense Logistics High-Level DOD Coordination Is Needed to Further Improve the Management of the Army’s LOGCAP Contract” (GAO-05-328, March 2005)
- “Defense Acquisitions Assessments of Selected Major Weapon Programs” (GAO-05-301, March 2005)
- “Contract Management Opportunities to Improve Surveillance on Department of Defense Service Contracts” (GAO-05-274, March 2005)
- “Defense Acquisitions changes in E-10A Acquisition Strategy Needed before Development Starts” (GAO-05-273, March 2005)
- “Department of Energy Further Actions Are Needed to Strengthen Contract Management for Major Projects” (GAO-05-123, March 2005)
- “Transportation Security Systematic Planning Needed to Optimize Resources” (GAO-05-357T, February 2005)
- “Homeland Security Some Progress Made, but Many Challenges Remain on U.S. Visitor and Immigrant Status Indicator Technology Program” (GAO-05-202, February 2005)
- “Wastewater Facilities Experts’ Views on How Federal Funds Should Be Spent to Improve Security” (GAO-05-165, January 2005)

Appendix C Bibliography

- “Coast Guard Station Readiness Improving, but Resource Challenges and Management Concerns Remain” (GAO-05-161, January 2005)
- “Homeland Security Agency Plans, Implementation, and Challenges Regarding the National Strategy for Homeland Security” (GAO-05-33, January 2005)
- “Homeland Security Further Actions Needed to Coordinate Federal Agencies’ Facility Protection Efforts and Promote Key Practices” (GAO-05-49, November 2004)
- “Homeland Security Management Challenges Remain in Transforming Immigration Programs” (GAO-05-81, October 2004)
- “Maritime Security Better Planning Needed to Help Ensure an Effective Port Security Assessment Program” (GAO-04-1062, September 2004)
- “Homeland Security Federal Leadership Needed to Facilitate Interoperable Communications Between First Responders” (GAO-04-1057T, September 2004)
- “Border Security State Department Rollout of Biometric Visas on Schedule, but Guidance Is Lagging” (GAO-04-1001, September 2004)
- “Information Technology Major Federal Networks That Support Homeland Security Functions” (GAO-04-375, September 2004)
- “Taxpayer Information Data Sharing and Analysis May Enhance Tax Compliance and Improve Immigration Eligibility Decisions” (GAO-04-972T, July 2004)
- “Homeland Security Coordinated Planning and Standards Needed to Better Manage First Responder Grants In the National Capital Region” (GAO-04-904T, June 2004)
- “Transportation Security R&D TSA and DHS Are Researching and Developing Technologies, but Need to Improve R&D Management” (GAO-04-890, September 2004)
- “Homeland Security Efforts Under Way to Develop Enterprise Architecture, but Much Work Remains” (GAO-04-777, August 2004)
- “Contract Management Guidance Needed to Promote Competition for Defense Task Orders” (GAO-04-874, July 2004)
- “Critical Infrastructure Protection Improving Information Sharing with Infrastructure Sectors” (GAO-04-780, July 2004)
- “Maritime Security Partnering Could Reduce Federal Costs and Facilitate Implementation of Automatic Vessel Identification System” (GAO-04-868, July 2004)
- “Aviation Security Challenges in Using Biometric Technologies” (GAO-04-785T, May 2004)
- “Homeland Security Federal Leadership and Intergovernmental Cooperation Required to Achieve First Responder Interoperable Communications” (GAO-04-740, July 2004)
- “Information Technology Early Releases of Customs Trade System Operating but Pattern of Cost and Schedule Problems Needs to Be Addressed” (GAO-04-719, May 2004)
- “Coast Guard Station Spending Requirements Met, But Better Processes Needed to Track Designated Funds” (GAO-04-704, May 2004)
- “Department of Homeland Security Formidable Information and Technology Management Challenge Requires Institutional Approach” (GAO-04-702, August 2004)
- “Critical Infrastructure Protection Establishing Effective Information Sharing with Infrastructure Sectors” (GAO-04-699T, April 2004)
- “Coast Guard Deepwater Program Acquisition Schedule Update Needed” (GAO-04-695, June 2004)

Appendix C Bibliography

- “Homeland Security Performance of Information System to Monitor Foreign Students and Exchange Visitors Has Improved, but Issues Remain” (GAO-04-690, June 2004)
- “Homeland Security Communication Protocols and Risk Communication Principles Can Assist in Refining the Advisory System” (GAO-04-682, June 2004)
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Obligations and Procurement Actions²

Organizational Element	FY 2004 Obligations \$ (millions)	Procurement Actions
Customs & Border Protection	\$981	3,861
Federal Law Enforcement Training Center	\$117	2,971
Immigration & Customs Enforcement	\$848	7,705
Transportation Security Administration	\$1,683	1,458
Office of Procurement Operations	\$1,926	2,581
U.S. Secret Service	\$68	1,220
U.S. Coast Guard	\$2,111	36,630
Emergency Preparedness and Response	\$1,515	3,554
Total	\$9,249	59,980

² The data is based on preliminary reports from the Office of Chief Procurement Officer and therefore is subject to change. The data does not include grants and purchase cards, but does include interagency agreements.

Acquisition Staffing and Workload³

Organizational Element	Number of Procurement Personnel *	FY 2004 Procurement Obligations \$ (millions)	Procurement Spending per Staff Member \$ (millions)
Customs & Border Protection	74	\$981	\$13.3
Federal Law Enforcement Training Center	34	117	3.4
Immigration & Customs Enforcement	78	848	10.9
Transportation Security Administration	67	1,683	25.1
Office of Procurement Operations	73	1,926	26.4
U.S. Secret Service	21	68	3.2
U.S. Coast Guard	346	2,111	6.1
EP&R	55	1,515	27.5
Total	748	\$9,249	\$12.4**

* Includes GS-1102 Contracting, GS-1105 Purchasing and GS-1106 Procurement Clerical and Technician.

** While some DHS procurement organizations reported discrepancies with the data that we used, the reported discrepancies were not significant enough to change our conclusion that substantial differences exist in average contract awards per procurement person between the DHS procurement organizations.

³ The data is based on preliminary reports from the Office of Chief Procurement Officer and therefore is subject to change. The data does not include grants and purchase cards, but does include interagency agreements. Minor differences may exist between different tables in this appendix due to rounding.

Program Manager (PM) Certification

Organizational Element (OE)	Total PMs	PMs certified* and the level held.			Total Certified	Percent of Certified PMs by OE
		Level I	Level II	Level III		
Customs & Border Protection	23	0	1	2	3	13%
Federal Law Enforcement Training Center	2	1	0	1	2	100%
Immigration & Customs Enforcement	10	3	0	1	4	40%
Transportation Security Administration	62	14	29	13	56	90%
Office of Procurement Operations	37	1	0	5	6	16%
U.S. Secret Service	1	1	0	0	1	100%
U.S. Coast Guard	31	2	6	13	21	68%
EP&R	9	0	0	0	0	0%
Total	175	22	36	35	93	53%

* PM certification indicates a level of experience within the procurement area. Level I is the basic or beginner level and Level III is the most advanced or mastery of the skills levels. Each certification level requires the holder to have completed selected training courses. In addition to the formal education requirements the holder must have a minimum amount of years of experience.

Appendix E
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