

GAO

Report to the Committee on
Government Reform, House of
Representatives

July 2003

**CONTRACT
MANAGEMENT**

**INS Contracting
Weaknesses Need
Attention from the
Department of
Homeland Security**



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Highlights of [GAO-03-799](#), a report to House Government Reform Committee

Why GAO Did This Study

With annual obligations for goods and services totaling \$1.7 billion, the Immigration and Naturalization Service (INS) is one of the largest of 23 entities coming into the Department of Homeland Security (DHS). INS's procurement organization will continue to acquire goods and services under DHS.

GAO was asked to review INS's contracting processes to assess whether INS has an adequate infrastructure to manage its acquisitions and to determine whether INS is following sound contracting policies and procedures in awarding and managing individual contracts.

What GAO Recommends

GAO is recommending that DHS take several actions to mitigate procurement risk as it integrates INS's procurement function. DHS should assess and develop strategies to improve oversight, strategic use of information, workforce planning, and contract management. In written comments on a draft of this report, DHS agreed with the recommendations and indicated that it will proceed in accordance with them.

www.gao.gov/cgi-bin/getrpt?GAO-03-799.

To view the full product, including the scope and methodology, click on the link above. For more information, contact David Cooper at (617) 788-0555 or cooperd@gao.gov.

CONTRACT MANAGEMENT

INS Contracting Weaknesses Need Attention from the Department of Homeland Security

What GAO Found

INS does not have the basic infrastructure—including oversight, information, and an acquisition workforce—in place to ensure that its contracting activity is effective, principally, as follows:

- Oversight of procurement is difficult because procurement managers are placed at a low level within the organization, and they do not have the leverage to hold employees across the agency accountable for compliance with procurement policies. Further, procurement activities are not coordinated well because INS has not made effective use of cross-functional teams—consisting of procurement, program, budget, financial, and legal representatives—throughout the acquisition process.
- Procurement managers are unable to make strategic decisions that would allow them to maximize spending power across the agency because INS's information systems do not provide visibility into what is being spent agencywide for goods and services and who the major vendors are.
- INS's acquisition workforce is struggling to manage effectively large and mission-critical procurements. Despite growth in mission requirements and the overall workforce during the past decade, the agency has not been able to attract and retain the necessary contracting staff. Further, INS lacks a strategic acquisition workforce plan to help identify the knowledge, skills, and abilities the agency needs to ensure it can meet current and future requirements.

In addition, acquisition planning, competition, and contractor monitoring have been inadequate on some large contracts. The lack of adequate advanced planning for several detention center contracts and one large information technology management contract limited opportunities for full and open competition. Contractor performance monitoring has, in some cases, been inadequate to provide assurance that INS received the goods or services it paid for or that quality standards were met. GAO did not find significant or widespread compliance problems with other contract criteria we reviewed.

Because INS has become a significant part of DHS and brings with it a procurement function that needs attention, it is imperative for DHS leadership to address these problems early in the development of the new department.

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Abbreviations

COTR	Contracting Officer's Technical Representative
DHS	Department of Homeland Security
FAR	Federal Acquisition Regulation
INS	Immigration and Naturalization Service
IPRO	Intelligent Procurement System
STARS	Service Technology Alliance Resources

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Accountability * Integrity * Reliability

United States General Accounting Office
Washington, DC 20548

July 25, 2003

The Honorable Tom Davis
Chairman
The Honorable Henry A. Waxman
Ranking Minority Member
Committee on Government Reform
House of Representatives

In January 2003, we designated the implementation and transformation of the Department of Homeland Security (DHS) as high-risk due to the size and complexity of the effort, the existing challenges faced by the components being merged into the department, and the potentially serious consequences should DHS fail to effectively carry out its mission.¹ DHS, which is expected to have some of the most extensive acquisition requirements in government, is currently in the process of integrating the mission functions and acquisition practices of 23 incoming entities. The Immigration and Naturalization Service (INS) is one of the largest agencies coming under the new department, with a budget of \$6.1 billion and contracts for goods and services valued at \$1.7 billion in fiscal year 2002. INS's procurement organization will continue to acquire goods and services under DHS.

Given the heightened importance of INS's mission due to threats to the security of our nation, you asked us to review INS's contracting processes. Specifically, we assessed whether INS has an adequate infrastructure—including oversight, information, and workforce—to manage its acquisitions. In addition, you asked us to determine whether INS is following sound contracting policies and procedures in awarding and managing individual contracts.

We conducted our work at INS headquarters and administrative centers. We also reviewed 42 randomly selected contracts for compliance with key criteria in several functional areas of contract management. Specific information on our scope and methodology is in appendix I. We performed

¹ U.S. General Accounting Office, *Major Management Challenges and Program Risks—Department of Homeland Security*, [GAO-03-102](#) (Washington, D.C.: Jan. 1, 2003).

the bulk of our audit work prior to INS's becoming part of DHS. For readability, we refer to INS in the present tense in this report.

Results In Brief

INS does not have the basic infrastructure—including oversight, information, and an acquisition workforce—in place to ensure that its contracting activity is effective. Procurement managers are placed at a low level within the organization, and they do not have the leverage to hold employees across the agency accountable for compliance with procurement policies. INS has not made effective use of cross-functional teams—consisting of procurement, program, budget, financial, and legal representatives—throughout the acquisition process. Procurement managers are unable to make strategic decisions that would allow them to maximize spending power across the agency because INS's information systems do not provide visibility into what is spent for goods and services agencywide and who the major vendors are. In addition, while INS's mission requirements and the overall workforce have greatly expanded in the past decade, the agency has not been able to attract and retain the contracting staff needed to effectively manage the increased workload. INS has not consistently ensured that acquisition personnel are adequately trained to do their jobs. Further, INS lacks a strategic acquisition workforce plan to help identify the knowledge, skills, and abilities the agency needs to ensure it can meet current and future requirements.

Our review of 42 contracts, randomly selected from a total of 185 active contracts, identified problems in two key areas: acquisition planning and contractor monitoring. The lack of adequate advanced planning for several detention center contracts and one large information technology management contract limited opportunities for competition. In addition, contractor performance monitoring has, in some cases, been inadequate to assure that INS received the goods or services it paid for or that quality standards were met. We did not find significant or widespread compliance problems with other contract criteria we reviewed.

The creation of DHS brings an opportunity to address the issues we have identified in this report. We are recommending that the Secretary of DHS direct the Under Secretary for Management to take several actions to mitigate these problems as the INS procurement function is integrated into DHS. In written comments on a draft of this report, DHS agreed with our recommendations and indicated that it will proceed in accordance with them. DHS comments are included in their entirety in appendix II.

Background

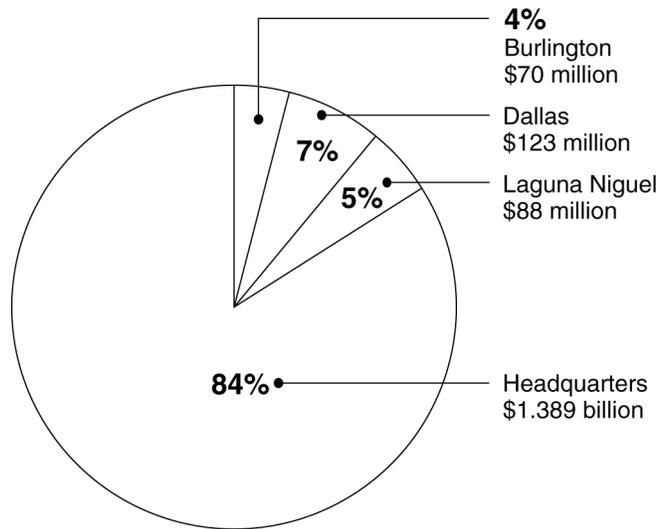
As of March 1, 2003, INS ceased to exist as an agency.² It is now in the process of being incorporated into DHS. INS's multi-faceted mission includes securing the borders; enforcing immigration laws; and providing immigration services, such as work permits, naturalization, and asylum. Under DHS, the INS mission has been split between three bureaus within the department,³ and the INS procurement organization will continue to procure goods and services under the Bureau of Immigration and Customs Enforcement.

In fiscal year 2002, INS contracted for \$1.7 billion in goods and services. The headquarters procurement office is responsible for procuring information technology, as well as goods and services of a general nature that are used agencywide. DHS continues to operate the three INS administrative centers (Dallas, Texas; Laguna Niguel, California; and Burlington, Vermont) that were formerly a part of INS. The administrative centers have responsibility for awarding and managing INS's detention center management contracts and contracts for goods and services for INS field offices. Figure 1 shows the breakdown of procurement responsibility between INS headquarters and the administrative centers in fiscal year 2002.

² Section 471 of the Homeland Security Act of 2002 (P.L. 107-296, enacted Nov. 25, 2002) abolished the INS following the transfer of its functions to DHS. The President's reorganization plan transferred the functions of the INS to the new department on March 1, 2003.

³ The three bureaus are the Bureau of Customs and Border Protection, the Bureau of Immigration and Customs Enforcement, and the Bureau of Citizenship and Immigration.

Figure 1: Fiscal Year 2002 Contract Obligations



Source: GAO analysis of INS data.

Note: These amounts include \$600 million in goods and services that were provided by other government agencies through interagency agreements.

INS also has more than 600 field offices across the United States. The field offices' authority to award contracts is generally limited to \$25,000 for open market purchases and \$100,000 for delivery orders against existing contracts. Field office contract obligations totaled \$66.5 million in fiscal year 2002.⁴

DHS officials are currently working out the details of how to merge the procurement functions of the incoming agencies, including INS. A Chief Procurement Officer was recently appointed and will report to the Under Secretary for Management. In preparing to implement DHS-specific procurement policies, a working group is drafting a DHS supplement to the Federal Acquisition Regulation (FAR). DHS officials are currently assessing the incoming agencies' (1) major procurements to determine whether duplication exists and to identify ways of maximizing the DHS's purchasing power by consolidating like procurements where feasible; (2)

⁴ For the purposes of this report, "field offices" refer to sites receiving administrative services from INS's administrative centers. Field offices include INS's districts, sectors, and suboffices. The \$66.5 million is a component of the \$1.7 billion in contract obligations cited on p. 1.

procurement and financial systems to determine whether any of the existing systems are adequate to meet the department's future needs; and (3) acquisition workforce to identify gaps and the need for DHS-specific training requirements.

INS Lacks the Infrastructure Needed to Manage Its Procurement Activities Effectively

INS does not have in place a basic infrastructure to effectively manage its contracts. INS procurement managers lack leverage to ensure that employees comply with procurement policies, and managers cannot make strategic procurement decisions due to the absence of comprehensive and reliable information about the goods and services being procured across the agency. Further, INS's acquisition workforce is not adequate to manage the agency's increased mission requirements. INS has not developed a strategic acquisition workforce plan to help ensure that acquisition personnel across the agency have the right skills and that gaps in the workforce are addressed proactively.

INS Procurement Managers Lack Leverage to Oversee Contracting Activity Effectively

INS procurement managers have little oversight and control over procurement activities throughout the agency, a situation that increases the risk that taxpayers are not getting the best value for their dollars. Our prior work has identified a number of factors that promote efficient, effective, and accountable procurement.⁵ We found that successful, leading companies had reengineered their procurement practices to move from a fragmented approach to a more coordinated and strategically oriented approach. By elevating the procurement function in the structure of the organization and establishing strong oversight mechanisms, these companies were able to make and implement strategic decisions to improve companywide outcomes. In addition, the companies ensured that the procurement function was integrated across the organization through the use of cross-functional teams, consisting of procurement, program, and financial personnel.

Responsibility for acquiring goods and services is dispersed throughout INS headquarters, administrative centers, and field offices. Headquarters procurement managers have responsibility for some agencywide functions, such as providing policy, overseeing compliance with procurement laws and regulations, and preparing required reports on

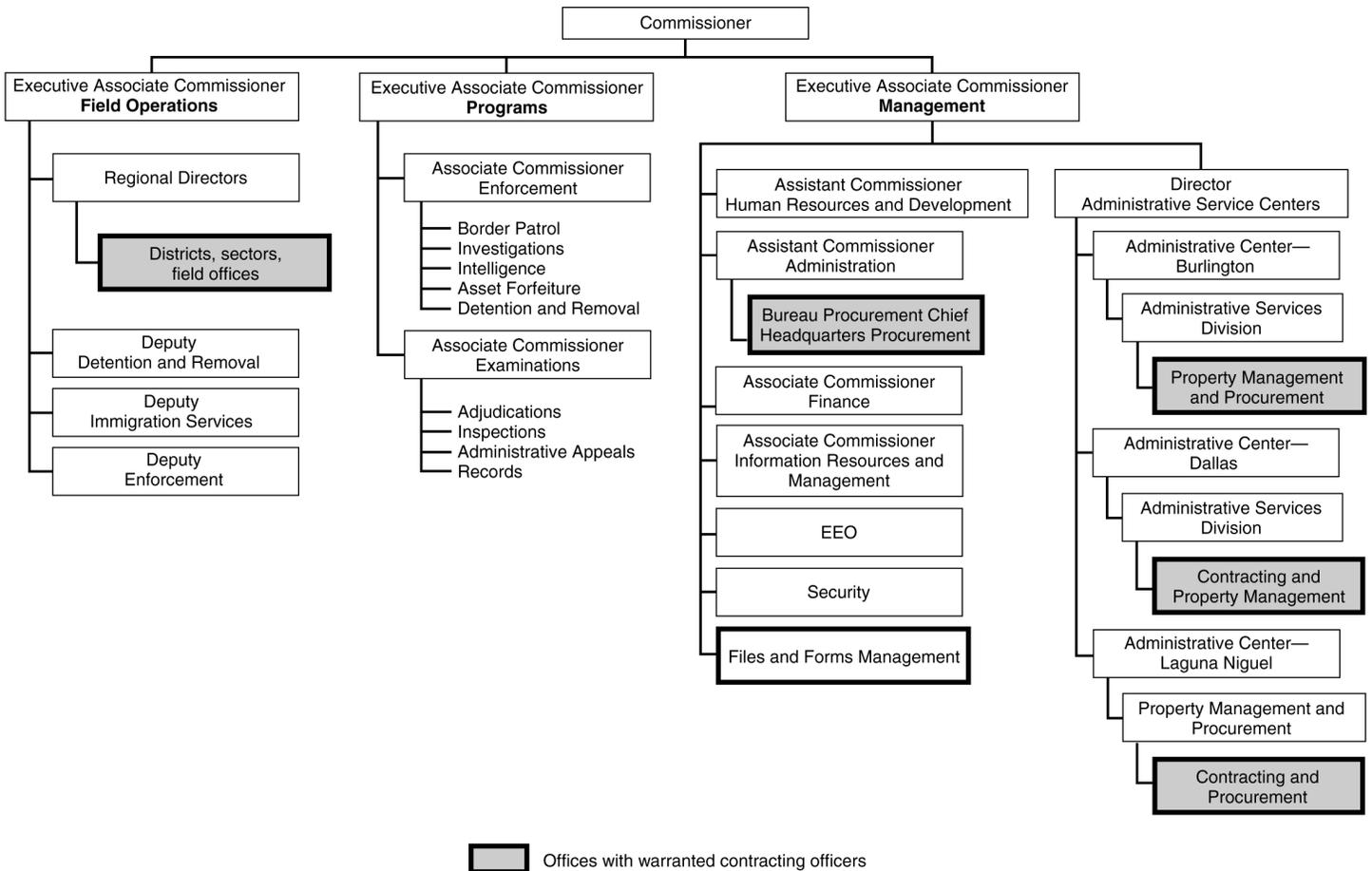
⁵ U.S. General Accounting Office, *Best Practices: Taking a Strategic Approach Could Improve DOD's Acquisition of Services*, GAO-02-230 (Washington, D.C.: Jan. 18, 2002).

agencywide procurement activities. These managers also review proposed administrative center contracts of more than \$500,000.⁶ However, they have little insight into transactions conducted by INS's field offices. Headquarters procurement managers were only able to provide us summary data for field office transactions, because they do not have information on the number and dollar amount of individual transactions.

In addition, the headquarters procurement office is placed far down in the organizational structure, buried under several layers of management. This placement increases the likelihood that the procurement function will not receive attention from the highest levels of the organization. As illustrated in figure 2, the Bureau Procurement Chief reports at a lower organizational level than Files and Forms Management. At the administrative centers, the procurement function is combined with property management.

⁶ Of the administrative center contracts active in November 2002, more than half—39 of 68—were valued at more than \$500,000.

Figure 2: Organization of the INS



Source: INS.

INS headquarters procurement managers lack the leverage to ensure that administrative center and field office contracting personnel follow INS procurement directives and policies. While contracting officers in these offices derive their contracting authority from headquarters, they report through the administrative center or field office chain of command, not to headquarters procurement managers. This situation has been especially problematic in the field offices, which rely heavily on “collateral duty” contracting officers who perform contracting duties in addition to their mission-related responsibilities and who are not career contracting officers. The performance appraisals of the collateral duty contracting officers reflect only their mission-related duties and do not address their

procurement activities. For example, the performance rating of a Border Patrol agent, who is a collateral duty contracting officer, is based on whether he accomplishes the Border Patrol's mission and does not take into account whether he follows INS's procurement procedures.

Further, according to the Assistant Commissioner for Administration, the procurement office has little leverage to stop employees from entering into unauthorized commitments.⁷ In fiscal year 2002, INS had 60 unauthorized commitments valued at more than \$700,000. For example, an employee arranged for a vendor to conduct a training class without first contacting the procurement office to award a contract for this service, for which INS ended up paying \$15,800. In another case, an employee asked a subcontractor to provide \$3,181 in computer upgrade services. While these services may have been necessary, only warranted contracting officers have authority to enter into and modify contracts with vendors. Unauthorized commitments are counterproductive in that they require additional time and effort from procurement personnel to ratify the commitments and to work with the parties involved to avoid future occurrences.⁸ Procurement officials have attempted to educate and train employees about proper procedures, but the officials expressed frustration that unauthorized commitments continue to occur.

INS has made limited use of internal controls, such as internal reviews and performance goals and measures, that could help monitor procurement activity across the agency. For example, while some officials said that the Office of Internal Audit's periodic reviews are helpful in identifying problem areas, others noted that these reviews are not thorough or frequent enough (each office is scheduled for review once every 3 years). In addition, while headquarters and administrative centers established performance goals and measures to help evaluate the effectiveness of the procurement function, these efforts have not been effective. A consulting

⁷ Under FAR 1.602-3, an unauthorized commitment is an agreement with a vendor that is not legally binding on the government because the government representative who placed the order lacked the authority to enter into the agreement on behalf of the government, such as by lacking a written contracting officer's warrant or exceeding the specified authority of a warrant.

⁸ Ratification involves a determination by the official authorized to ratify unauthorized commitments that the resulting contract would have otherwise been proper if made by an appropriate contracting officer, that the price of the unauthorized commitment is fair and reasonable, that payment is recommended (with concurrence from legal counsel), and that funds are available and were available at the time the unauthorized commitment was made.

firm helped the INS headquarters procurement office set goals, such as obligating funds in a timely manner; providing clear, consistent customer guidance; maximizing private and public sector resources; and complying with statutory requirements. Similarly, the administrative centers attempted to standardize processes and establish time frames for various procurement services. However, INS headquarters officials told us that they were unable to monitor whether they achieved their goals because the data and analyses necessary to track progress were unavailable. Administrative center procurement managers said that the time frames they were given were not meaningful, as the targets set were very low.

Further, INS has not made effective use of cross-functional teams—consisting of procurement, program, legal, budget, and financial representatives—throughout the acquisition process. Stakeholders outside of the procurement offices are often involved only on an ad hoc basis. Personnel across the agency told us that the relationship between program and procurement officials has been particularly problematic and that these offices often have not worked collaboratively to define project requirements and perform other acquisition-related functions. In fact, in some cases, the relationship has been adversarial. One INS procurement official said the program offices sometimes “throw the requirements over the transom,” leaving the procurement office to try to meet the program office’s needs in a vacuum. Procurement managers said that they have difficulty getting program offices to comply with procurement requirements such as planning acquisitions, monitoring contractor performance, and attending required training. Some managers attributed the problem to INS’s culture, where program offices have traditionally been highly independent.

On the other hand, program officials stated that procurement personnel are not customer-oriented or proactive in finding ways to meet program needs. Program officials said that they are unsure of their roles and responsibilities in the procurement process and that they lack needed procurement guidance. For example, one program manager said that procurement personnel expect her office to choose a contract type or to complete independently contracting-related paperwork. She believes this responsibility is best left to personnel with procurement expertise.

INS Lacks Information It Needs to Make Strategic Procurement Decisions

INS managers are unable to make strategic procurement decisions because they do not have sufficient information about the goods and services being procured across the agency and who their major vendors are. In the past, we have reported that when leading companies obtain

improved knowledge about the goods and services that are being procured, these companies can create significant cost savings and service improvements.⁹ Agencies need the capability to analyze how much is being spent on each good and service—through the use of interfaced procurement and financial systems—so the agencies can identify opportunities to reduce costs, improve service, and better manage their suppliers.

INS procurement personnel primarily use two mechanisms to collect procurement data. The Intelligent Procurement System (IPRO) is an automated system used to generate solicitation and contract documents and to track basic procurement data such as requisition numbers, obligations, date of contract awards, and the amount of time to process requisitions. Procurement personnel also use a variety of informal data collection tools—including manual entry logbooks, spreadsheets, and stand-alone databases—to track administrative information, such as contract status, and to provide data to the Federal Procurement Data System.¹⁰ However, the data collected through these means are not comprehensive or reliable. Contract administration information, such as contract closeout status, is often missing and contract modifications are often not up to date. In addition, IPRO contains weak internal edit checks that render the data potentially inaccurate, and it does not automatically populate forms and fields with existing data. INS internal audits¹¹ have reported that administrative center officials have not been proactive in giving feedback to field staff who input the data so that errors can be corrected.

Because INS cannot aggregate procurement data across the agency, it cannot gain the strategic visibility into purchasing behavior required to negotiate vendor discounts or otherwise leverage buying power. Procurement data are stored in separate regional databases or files on local networks that are inaccessible to users in other regions. Procurement managers frequently rely on active contracts lists—manual

⁹ U.S. General Accounting Office, *Best Practices: Taking a Strategic Approach Could Improve DOD's Acquisition of Services*, [GAO-02-230](#) (Washington, D.C.: Jan. 18, 2002) and *Best Practices: Improved Knowledge of DOD Service Contracts Could Reveal Significant Savings*, [GAO-03-661](#) (Washington, D.C.: June 9, 2003).

¹⁰ The Federal Procurement Data System is the central repository of statistical information on federal contracting.

¹¹ INS refers to these audits as “INSpect reviews.”

spreadsheets separately maintained by the administrative centers and headquarters—for information about ongoing procurement activity. When we requested data on active contracts, INS procurement managers had to separately request this information from each administrative center and headquarters. Further, these lists contain duplicative records and, in some instances, contradictory data about contract expenditures. INS managers stated that they have difficulty developing INS budget submissions because of the absence of useful procurement data.

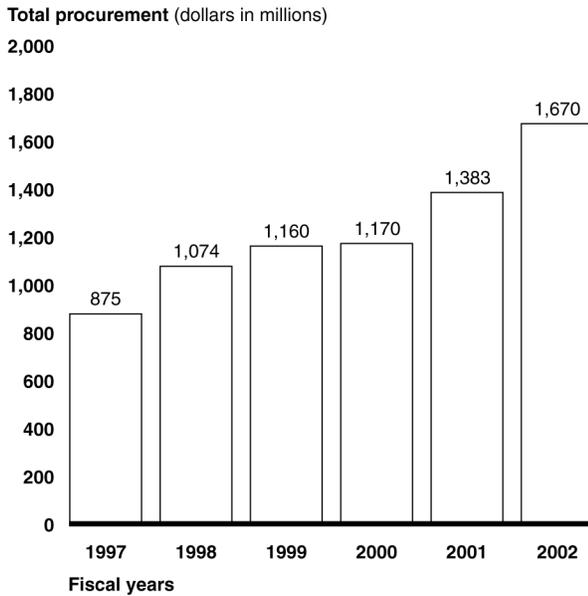
Even if basic information, such as the active contracts lists, were accurate, INS procurement managers would be hindered in their ability to make strategic decisions about agencywide procurements because IPRO does not interface with INS's financial management system. If the systems were interfaced, procurement managers would have improved access to financial data, such as real-time reports on obligations and payments for goods and services. Managers could then analyze spending patterns to determine what they are buying—and from whom—and use this information to more confidently plan future spending.

INS's Acquisition Workforce Is Inadequate to Manage Increased Workload

INS's mission and overall workforce have expanded greatly in the past decade, and spending on contracts has also increased significantly. However, the size of INS's contracting workforce has not grown in sufficient numbers to manage this increased workload effectively. Further, INS has not ensured that its acquisition personnel are adequately trained to do their jobs. A strategic acquisition workforce plan could help INS ensure that acquisition personnel across the agency have the right skills and that gaps in the workforce are addressed proactively.

From 1997 to 2002, INS's workload increased greatly and its overall workforce expanded by 38.5 percent, from 25,750 to 35,676. In conjunction with the increased workload, procurements almost doubled, as shown in figure 3.

Figure 3: INS Procurement Dollars



Source: GAO analysis of INS data.

Despite this growth, the procurement offices at headquarters and the administrative centers remain understaffed. While INS's overall acquisition workforce has grown, from 101 in 1997 to 148 in 2002, the agency is still short of critical contracting officer positions.¹² Two outside studies, in 2000 and 2001, concluded that INS's acquisition workforce was understaffed. One study determined that the understaffing caused delays in completing required tasks, and another recommended an additional 17 positions in the administrative center procurement offices. INS headquarters and administrative center procurement offices have attempted to address this understaffing by requesting additional positions and trying to fill the procurement positions they already have in place. However, neither effort has been successful.

Headquarters officials requested 13 additional contracting officers in 2001; 11 in 2002; and 12 in 2003; and the administrative centers also requested additional positions. However, procurement officials told us that these

¹² The acquisition workforce encompasses 14 different occupation codes, 2 of which comprise these contracting officer positions. Appendix I lists the codes we used in this report to define the acquisition workforce.

requests were denied.¹³ Further, the agency has not been able to fill many of its existing vacancies. As of March 2003, 14 authorized procurement positions were vacant in headquarters. Several of these vacancies have remained open for extended periods of time—one up to 2 years. Procurement officials said that they have trouble recruiting college graduates and experienced acquisition personnel because of the perception of INS as a dysfunctional organization and the uncertainty of the transition to DHS. They indicated that many of the applicants they get are not qualified. In addition, the procurement office does not use human capital flexibilities—such as recruitment and retention bonuses—made available by the Office of Personnel Management. A headquarters procurement official said that his office considered using a relocation bonus but determined it was too expensive. He planned to fill six of the current vacancies with individuals from the outstanding scholar program; however, as of June 2003, none of the positions had been filled.¹⁴ INS procurement officials stated that 55 contracting positions were filled at the end of fiscal year 1998, and that as of May 2003 only 56 contracting positions were filled.

Our prior work has shown that high performing organizations identify their current and future human capital needs and then create strategies—such as targeted investments in employees or recruiting and retention bonuses—in acquisition workforce plans.¹⁵ These plans enable the organization to determine the critical skills and competencies needed to achieve future results. A workforce plan could, for example, allow INS to correct the current imbalance of contracting skills among the administrative centers. INS has four warrant levels that grant contracting officers authority to contract on behalf of the agency and that specify the limits of this authority.¹⁶ The Burlington administrative center has five employees with warrant levels of three or higher, which enable them to

¹³ INS budget documents did not provide sufficient detail for us to determine at what level the requests for additional procurement personnel were denied, because the distinction between procurement positions and other support positions is not maintained in the budget documentation. Further, the administrative center requests are combined into one request and submitted to INS headquarters.

¹⁴ The outstanding scholar program is intended to allow agencies to quickly hire college graduates with superior academic credentials for entry-level positions.

¹⁵ U.S. General Accounting Office, *High Risk Series: Strategic Human Capital Management*, GAO-03-120 (Washington, D.C.: Jan. 1, 2003).

¹⁶ See appendix V for description of individual warrant limits.

award open-market contracts for at least \$1 million and to make unlimited buys from the Federal Supply Schedule.¹⁷ In contrast, for a year, the Dallas administrative center had only one warrant-level-four officer and one level-two officer. When the level-four officer was out of the office, no other employee had the authority to award a contract of more than \$100,000. The center has since hired another specialist with a level-four warrant.

Another factor affecting INS's acquisition workforce is the administrative centers' use of term appointments.¹⁸ Term appointments are intended to address short-term workforce needs; however, procurement managers have used these positions to fulfill their long-term needs because of a lack of funding for permanent positions. As a result, INS has committed resources and time to train employees who cannot be retained by the agency. A consulting firm recommended ending the use of short-term positions because of reduced productivity, high turnover rates, and constant training of new term employees. Administrative center procurement officials said that they had requested several times that their term appointments be converted to permanent positions, but that no action was taken.

Further, INS procurement managers have not ensured that contracting officers receive consistent training across the agency. Internal audits in 2000 and 2001 revealed that some contracting officers in the administrative centers and field offices had not completed the 40 hours of annual training that INS requires. In response, INS began tracking contracting officers' training and sending reminders to complete training before the end of the year. At the end of calendar year 2001, procurement officials rescinded the warrants of contracting officers who had not met the training requirement, and additional warrants were rescinded at the end of calendar year 2002. In addition, inconsistencies in the training budgets for procurement personnel administrative center and headquarters have resulted in disparate training for new hires across INS. For example, one

¹⁷ The Federal Supply Schedule offers a large group of commercial products and services, ranging from office supplies to information technology services.

¹⁸ Term appointments are temporary appointments that are intended to last the length of a project of more than 1 year, and they can be renewed up to 4 years. At the end of the 4 years, the appointment is terminated. According to an INS official, the employee may not apply for another term appointment with a similar job description. Term employees receive the same pay, benefits, and training requirements as permanent employees with the same job description.

administrative center received only enough funding to provide the required 40 hours of annual training for newly hired personnel. However, each of four recent hires at the headquarters procurement office received 400 hours or more of training over a 2-year period. If this amount of training is needed for each new hire, agency planning could help ensure that sufficient resources are available to provide needed training to all new staff in a more consistent manner.

Finally, we found that contracting officers are not provided consistent training due to a lack of centralized coordination of training materials. For example, each administrative center created and conducted its own training program on IPRO, resulting in duplication of effort. Similarly, although INS created one purchase card procedures manual, administrative center and headquarters procurement offices created their own training presentations and supporting materials. INS officials commented that procurement training within the INS contracting community is affected by the geographic dispersion of the procurement function as well as the placement of the procurement function within three separate agency chains of command. They noted that INS recently began a purchase card refresher training program that has provided training to over 1,000 agency employees since January 2003.

Acquisition Planning, Competition, and Contractor Monitoring Have Been Inadequate in Some Cases

Our review of 42 contracts, randomly selected from a total of 185 active contracts awarded by headquarters and each administrative center, found that INS did not adequately plan for several of its large acquisitions or effectively involve key stakeholders, such as the program and legal offices. In some cases, this lack of advanced planning and collaboration limited opportunities for full and open competition. Further, INS did not consistently monitor contractor performance on many of the contracts we reviewed, meaning that INS could not be assured that it received the goods and services it paid for or that the contractors met the quality standards in the contract. We did not find significant or widespread compliance problems with FAR requirements and INS's own acquisition policies in the areas of market research, evaluation of contractors' proposals, documentation of source selection decisions, and contract modifications.¹⁹ The contracts we reviewed are listed in appendix IV.

¹⁹ Our scope and methodology section, in appendix I, discusses in more detail how we drew the sample of contracts and appendix III lists the criteria we used in our file review.

For Several Large Contracts, Acquisition Planning Was Inadequate to Ensure Full and Open Competition

The FAR establishes uniform policies and procedures for the acquisition of supplies and services by all executive agencies, including INS. It requires acquisition planning in order to promote full and open competition and to ensure that the government meets its needs in the most effective, economical, and timely manner.²⁰ During the acquisition planning process, the efforts of all personnel responsible for an acquisition are to be coordinated and integrated through a comprehensive plan for fulfilling the agency's requirement in a timely manner and at a reasonable cost. An overall strategy for managing the acquisition is required to be developed well in advance of the planned contract's award date. The acquisition planning process requires a close partnership between the program and contracting offices and involvement of other key stakeholders, such as legal and financial personnel. When agencies fail to adequately plan for acquisitions, they risk limiting the opportunity for full and open competition and receiving inadequate goods and services at a higher cost.

In three of the five detention facility contracts that we reviewed, INS failed to plan adequately for its acquisitions and to involve key stakeholders effectively. As a result, short-term sole-source contracts were continuously awarded to incumbent contractors until a permanent contract could be competitively awarded. These "bridge" contracts were awarded without the full and open competition normally required for the solicitation and award of government contracts.²¹

For example, the Dallas administrative center's original contract for the Houston Detention Facility expired on September 30, 1998. The solicitation for a new contract was not issued until August 5, 1998, which did not allow adequate time for environmental assessments and any new construction. As a result, a bridge contract was awarded and is still in place. The contracting officer justified this sole source contract based on "unusual and compelling urgency" (the incumbent contractor had the only detention facility in the area with the necessary capacity). However, the justification documentation did not explain why planning did not occur earlier in the procurement process. It merely stated that in the future, the program office would be required to ensure that the acquisition process was started 2 to 3 years in advance of the contract's expiration date. INS

²⁰ FAR 7.102.

²¹ Some of these bridge contracts may have been modifications to the incumbent contractor's expiring contract in order to continue performance until the competitive award of a successor contract.

awarded the sole source contract despite the opinion of the INS General Counsel's office that the basis for using other than full and open competition was not legally sufficient.²²

In another example, in May of 1998, the Laguna Niguel administrative center announced the need for a larger detention facility in San Diego. Because the existing contract was due to expire shortly, there was insufficient time to complete routine environmental assessments and evaluations of proposals for new facility space. As a result, INS awarded a 1-year sole source contract, again citing "unusual and compelling" need as justification. Only the incumbent contractor was capable of providing the required space in the necessary timeframe.

Historically, INS has had great difficulty in stimulating competition for detention center contracts—even when advanced planning was done—particularly in situations where a contractor has an established facility in the locale. For example, when the Dallas administrative center issued a solicitation for its Laredo detention facility contract in March 1997, only one contractor, the incumbent, submitted a proposal, leading the procurement office to refer to this contract as "essentially a sole source acquisition." Likewise, the incumbent contractor was the only offeror when the Burlington administrative center awarded its current Newark Detention Facility contract. A 1998 INS memo stated that, as a result of the difficulties in stimulating competition, "negotiations and award of attractively priced [detention facility] contracts has become increasingly

²² FAR 6.301 states that contracting without providing for full and open competition shall not be justified on the basis of a lack of advanced acquisition planning by the requiring activity. This reflects language in the Competition in Contracting Act of 1984, 41 U.S.C. 253(f)(5)(A) that in no case may an executive agency enter into a contract for property or services using other than competitive procedures on the basis of the lack of advance planning. In this example, the General Counsel's office pointed out that the lack of collaboration between the program and the procurement offices "placed contracting in an untenable and precarious position" and cited a similar situation with a 1996 Denver detention center contract, which was also awarded by the Dallas administrative center.

more difficult.” Under the authority of the Attorney General, INS is developing longer-term contracts for its detention centers.²³

Inadequate acquisition planning also limited the opportunity for competition under a large information technology support contract for INS’s Entry/Exit program.²⁴ This contract provides program management and support services to INS for development of its Entry/Exit system, an automated system for collecting information about foreign nationals entering and exiting the United States and identifying those that have overstayed their visits. The Department of Justice contracting officer, who initially awarded the contract, told us that he was provided with the program requirements March 8, 2002, only 3 weeks before the contract had to be awarded. Just 5 months after award, INS modified the contract to provide additional services, increasing the base-year value of the contract by over \$4 million, to \$5.3 million. The INS General Counsel’s office did not concur with modifying the contract, citing the “dramatic” mission expansion and inadequate program planning. Nevertheless, INS implemented the modification. INS procurement officials stated that they are currently re-competing the contract, based on their continuing need for technology support for the program.

In contrast, the Service Technology Alliance Resources (STARS) contract, a multiple award contract designed to provide INS with a full range of information technology products and services, included the most extensive acquisition planning documentation of any contract we reviewed. Headquarters procurement officials indicated this was a high-visibility procurement and therefore received more upfront planning than is normally the case. The procurement was also much larger than usual, at slightly more than \$3 billion.

In some cases, the lack of collaboration between procurement and program officials hindered acquisition planning, resulting in failure to

²³ The 2001 Department of Justice Appropriations Act (P.L. 106-553, app. B, section 119, at 114 Stat. 2762A-69) authorized the Attorney General, notwithstanding any other provision of law, to enter into contracts and other agreements, of any reasonable duration, for detention or incarceration space or facilities, including related services, on any reasonable basis. Because INS is no longer part of the Department of Justice, DHS should determine whether this authority still applies to its INS procurement function and, if not, whether similar authority is needed to continue developing long-term detention center contracts.

²⁴ On April 29, 2003, the Secretary of DHS renamed the Entry/Exit system the U.S. Visitor and Immigrant Status Indication Technology System (U.S. VISIT).

obtain competition. For example, INS's contract for uniforms for the Border Patrol, Detention and Removal, and Inspection and Immigration offices was due to expire in 1999. Procurement officials began to work with these program offices to develop requirements for a new contract. However, due to difficulties in getting the program offices actively involved in developing the requirements and evaluating contractor proposals, the procurement office had to award a sole source bridge contract until a new contract could be competitively awarded in December 2000. The uniform contract is currently valued at \$32 million.

Another example of the lack of collaboration in acquisition planning occurred when the contract for the Houston detention facility was about to expire. According to the Assistant Commissioner for Administration, because the program office was unresponsive to questions posed by potential bidders, the contracting officer was faced with either issuing a sole source contract or not having a detention facility available in time to meet program needs. Therefore, he awarded a temporary sole source contract until a long-term contract could be competitively awarded.

INS Has Not Sufficiently Monitored Contractor Performance

It is important that agencies monitor contractors' performance to ensure that the government receives the goods and services it contracts for and that quality standards in the contract are met. In addition, the FAR calls for quality assurance surveillance plans to be prepared in conjunction with the statement of work, when necessary, to determine that the supplies or services conform to contract requirements.²⁵ The plans should specify all work requiring surveillance and the method of inspection. Further, the FAR requires that the government inspection be documented.

We found inconsistent attention to monitoring contractor performance at INS. Headquarters procurement personnel told us that their focus is primarily on pre-award activities. The Assistant Commissioner for Administration characterized the contracting function as an "obligation machine" that is able to award contracts for goods and services but is not adequately staffed to oversee the contracts once they are awarded. Officials at one administrative center commented that their method of contract administration is reactive versus proactive, citing several examples where they found out about contract problems months after they occurred. We found evidence of inadequate contractor performance

²⁵ FAR 46.401.

monitoring in many of the contract files we reviewed, as in the following examples:

- The Houston Detention Facility contract was awarded in 1998. A June 1999 INS internal audit report noted that the contractor's performance did not meet all the criteria in the contract and that the Contracting Officer's Technical Representative (COTR) was not performing the required functions as outlined in the contract. For example, the COTR was not conducting quality assurance reviews or maintaining records to validate whether services were received. COTR surveillance of the contractor is now taking place, but not every month as required under the terms of the contract. The contracting office, however, sends the COTR e-mail reminders when the monthly reports are not received.
- Under the Laguna Niguel administrative center's janitorial services contract, the contractor did not clean the facility's kitchen, as called for in the contract, for an entire year. This service was being performed by detainees at the program office's request, but because the COTR failed to notify the contracting officer of this change, the contract was not modified to reflect the revised requirements. Thus, no mechanism was in place to ensure that the government was billed for services actually provided. In fact, the invoices and receiving reports had been approved, allowing the contractor to be paid \$28,000 for services never provided. Administrative center officials told us that, because the COTR's primary job was a time-consuming one, the COTR had little time to dedicate to his contracting monitoring responsibilities. After becoming aware of the change, the contracting officer modified the contract and the contractor agreed to reimburse INS the amount it was overpaid.

In contrast, appropriate surveillance at the Burlington administrative center led to identified savings for the government. Burlington is the only location that has staff dedicated to contract administration, of which contractor monitoring is a key component; and administrative center officials said that this increased attention has paid off. Payments were reduced by \$264,861 in fiscal year 2002 because contractors did not perform to the contracts' quality standards or did not perform tasks called for in the contracts.

Procurement officials told us that program offices—which have the authority to select COTRs—often do not dedicate the personnel required to monitor contractor performance adequately. For example, the COTR for the INS Immigration Student Services contract, valued at over \$73 million, has been deployed on military leave since February 2003. The program

office responded to the INS procurement office's call for another COTR by designating the program manager as the COTR, even though he had not attended the requisite training. More than \$8 million has been paid to the contractor during the original COTR's absence.

Further, the files we reviewed suggest that INS is inconsistently implementing quality assurance surveillance plans. For example, 2 months after INS awarded the Dallas Unarmed Guard Services contract, the program office still had not provided the contracting office a plan outlining how the COTRs would monitor contractor performance or establishing a monthly inspection schedule. The contract file did not contain evidence that the monitoring or inspections were ever accomplished. Documentation of the government's quality assurance plan is important because it outlines the method and frequency with which contractor performance will be monitored.

The FAR also requires agencies to prepare contractor performance evaluations for completed contracts over \$100,000 in order to provide current information for source selection purposes.²⁶ At INS, the COTRs, program office employees, are responsible for completing these reports. The reports are designed to formally provide contractors with documented evaluation of their performance each year, and the information is entered into a database for use by government agencies in evaluating contractors' past performance. We found that the required evaluations had not always been done. Ten of 29 of the contract files we reviewed that required contractor performance reports (e.g., where the value exceeded \$100,000) did not contain evidence that the reports were completed. By not completing contractor performance reports, INS limits its own awareness, as well as that of other government agencies, of contractor performance.

Conclusion

The fact that INS has become a significant part of DHS makes it imperative for DHS leadership, as it grapples with the challenge of putting in place a procurement structure, to take immediate action to address the problems we have identified in this report. DHS is expected to spend billions annually to acquire a broad range of products, technologies and services,

²⁶ FAR 42.1502 requires the completion of contractor performance evaluations at the time work under the contract is completed. For contracts with a period of performance lasting more than one year, agencies are required to specify when an interim evaluation should be prepared. INS requires an interim evaluation at the time an option is exercised for the next contract period.

and these contractor-provided goods and services will be critical to the department's ability to achieve its mission of protecting the nation from terrorism. INS, one of the largest agencies coming under DHS, brings with it a procurement function that needs attention. Its acquisition workforce is struggling to effectively manage the large and mission-critical procurements for which it is responsible. The creation of DHS brings an opportunity to address these problems.

Recommendations for Executive Action

We recommend that the Secretary of DHS direct the Under Secretary for Management to take the following actions as part of ongoing efforts to implement DHS procurement policies.

To improve the effectiveness of the procurement function, we recommend that the Under Secretary for Management

- ensure that cross-functional acquisition teams, consisting of program, procurement, legal, budget, and financial officials, effectively collaborate in planning and administering contracts;
- create and review meaningful procurement performance measures and indicators to ensure that management directives are carried out by the large number of field activities in the department; and
- as part of its assessment of existing information systems coming into the department, determine what procurement and financial information must be gathered to obtain strategic knowledge of spending behavior across the department.

To address acquisition workforce issues, we recommend that the Under Secretary for Management do the following:

- Develop a data-driven assessment of the department's acquisition personnel, resulting in a workforce plan that identifies the number, location, and skills and competencies of the workforce. The plan should also identify key strategies to attract and retain this workforce, including use of available recruiting and retention flexibilities or other targeted approaches. As part of this planning, ensure that term appointments for procurement personnel are used as intended and not to meet long-term needs.

-
- Explore ways of making collateral duty contracting officers in field locations more accountable through the procurement hierarchy for their contracting work.

To ensure that the department's contracts are well-managed, we recommend that the Under Secretary for Management

- develop a system for tracking the status of current detention facility contracts so that contracting officers and program managers are automatically alerted to begin the planning process at least two years before a new contract has to be awarded; and
- implement ways of holding designated COTRs responsible for monitoring, reporting, and documenting contractor performance (e.g., require them to report on a regular basis to the contracting officer).

Agency Comments

In written comments on a draft of this report, DHS agreed with our recommendations and stated that it plans to proceed in accordance with them. DHS stated that it recognizes the need to formalize the acquisition workforce and plans to model the training and certifications of an Acquisition Corps along the lines of the Defense Acquisition Workforce Improvement Act.²⁷ Further, the department stated that all collateral duty contracting officers will be phased out and that only professional procurement personnel with the requisite training will have warrants. DHS also stated that a 5-year strategic planning process has been established, enabling program offices to plan acquisitions in advance.

The department also provided technical comments that we have incorporated as appropriate. In these comments, some concern was expressed about our description of the program offices' position that they sometimes lack guidance from the procurement office about their roles and responsibilities in the procurement process. Because this description reflects comments made by the program officials with whom we spoke, we have retained it in the report. Further, the department recommended changes to the draft report that would place full responsibility on the

²⁷ The Defense Acquisition Workforce Improvement Act (P.L. 101-510, Title XII) recognized acquisition as a multi-disciplinary career field for the Department of Defense.

program offices for acquisition planning. Because acquisition planning is a joint responsibility of both the program and procurement offices, we did not make this change.

We conducted our review from October 2002 through May 2003 in accordance with generally accepted government auditing standards.

As requested by your offices, unless you publicly announce the contents of this report earlier, we plan no further distribution of it until 30 days from the date of this letter. We will then send copies of this report to other interested congressional committees and the Secretary of Homeland Security. We will make copies available to others upon request. In addition, the report will be available at no charge on the GAO Web site at <http://www.gao.gov>.

If you have any questions regarding this report, please contact me at (202) 512-4841 or Michele Mackin, Assistant Director, at (202) 512-4309. Other major contributors to this report were Lara Carreon, Andria Key, Gary Middleton, Jeff Miller, Susan Tindall, and Adam Vodraska.



David E. Cooper
Director, Acquisition and Sourcing Management

Appendix I: Scope and Methodology

To determine the level of oversight and control and stakeholder involvement in contracting activities at the Immigration and Naturalization Service (INS), we reviewed INS organizational charts to gain insight into where the procurement offices fall in the hierarchy and to determine the lines of responsibility and authority between the various stakeholders in the acquisition process. We reviewed Department of Justice and INS policies and procedures governing acquisition and analyzed internal audit reports to determine if those policies and procedures were being followed. We obtained statistics from INS headquarters on unauthorized commitments and viewed a training videotape, which is used agencywide, on unauthorized commitments. At headquarters, we interviewed the Assistant Commissioner for Administration and two of his branch chiefs. We visited each of the administrative centers and interviewed key contracting personnel. We also interviewed program managers in several INS program offices. Lastly, we reviewed previous GAO work regarding best acquisition practices and organizational alignment and oversight for leading organizations.

To assess how effective existing INS information and financial management systems are in enabling the tracking and reporting of acquisition data and facilitating strategic decisionmaking, we attended demonstrations of INS's Intelligent Procurement (IPRO) and Federal Financial Management systems. We analyzed the spreadsheets and reports used by the administrative centers to track their procurement activity. We interviewed IPRO systems administrators at headquarters and each of the administrative centers, as well as officials from Customs Service and the Coast Guard to gauge their use of IPRO and to determine if their experience with the system was similar to INS's. We also reviewed our previous best practices work dealing with information systems and strategic tracking and reporting of acquisition data.

To assess INS's effectiveness in recruiting, training, and retaining its acquisition workforce, we interviewed contracting and human resource officials at headquarters and the three administrative centers. We analyzed INS's processes and procedures for tracking acquisition workforce training, reviewed training materials for all acquisition-related training courses, and attended two headquarters-sponsored training courses. We obtained and analyzed information on procurement vacancies and hiring rates at headquarters and the administrative centers. In addition, we analyzed INS acquisition workforce information obtained from the Office of Personnel Management's Central Personnel Data File. To define the overall acquisition workforce, we used the occupation codes included in

our report *Federal Procurement: Spending and Workforce Trends*, [GAO-03-443](#) (Apr. 30, 2003). These codes are listed in table 1.

Table 1: Acquisition Workforce Occupation Codes

Occupation code	Definition
246	Industrial relations
346	Logistics management
511	Auditing
1101	General business and industry
1102	Contracting
1103	Industrial property management
1104	Property disposal
1105	Purchasing
1106	Procurement clerical and technician
1150	Industrial specialist
1152	Production control
1910	Quality assurance
2003	Supply management
2010	Inventory management

Source: OPM.

To determine if INS has followed sound contracting policies and regulations, we reviewed 42 of 185 contracts on INS’s active contracts list.¹ The contracts were selected using random sampling and included 18 headquarters and 24 administrative center contracts. The value of the contracts ranged from \$24,000 to \$1.1 billion and represented procurements for a variety of goods and services, including detention facility services, information technology support, guard services, ammunition, program management support, and data entry. Only one of the 42 contracts fell below the simplified acquisition threshold (\$100,000).² We did not address the effectiveness of the contracts in terms of meeting organizational requirements, but limited our review to the issues set forth in appendix III. We held follow-on discussions with headquarters and administrative center contracting officers to clarify issues and discuss

¹ INS’s active contracts list includes contracts valued at more than \$100.

² Government contracting personnel are allowed to use certain streamlined procedures to buy goods and services up to the simplified acquisition threshold of \$100,000 (and up to \$5 million for commercial items).

discrepancies noted in the files. Appendix IV lists the contracts we reviewed.

We conducted our review from October 2002 through May 2003 in accordance with generally accepted government auditing standards.

Appendix II: Comments from the Department of Homeland Security

U.S. Department of Homeland Security

July 23, 2003

Mr. David Cooper
Director, Acquisition and Sourcing Management Team
U.S. General Accounting Office
441 G Street, N.W.
Washington, D.C. 20548

Dear Mr. Cooper:

We have received the General Accounting Office draft report GAO-03-799, entitled *Contract Management: INS Contracting Weaknesses Need Attention from the Department of Homeland Security*. As you know, the INS was retired on March 1, 2003 and the functional area of this report is now the responsibility of the Bureau of Immigration and Customs Enforcement (ICE) under the direction of the Department of Homeland Security. We appreciate the opportunity to comment on the report.

The Department of Homeland Security generally concurs with the report recommendations and will proceed in accordance with them. Specific comments on the report are as follows:

- DHS recognizes the need to formalize the acquisition workforce and plans to model the training and certifications of an Acquisition Corps along the lines of the Defense Acquisition Workforce Improvement Act (DAWIA).
- DHS is also in the process of hiring a Director of Acquisition Workforce to oversee hiring, training, and retention of procurement professionals.
- All collateral duty contracting officers will be phased out and only professional procurement personnel with the requisite training will have warrants.
- DHS will utilize a balanced scorecard approach similar to the performance measures currently under development by the Federal Acquisition Council (FAC) for all of the Bureaus procurement offices.
- An Investment Review Process has been established at DHS in which all Capital Investments must be approved with a minimum threshold of \$5M.
- A 5-year strategic planning process has also been established at DHS, which will enable program offices to plan acquisitions in advance.

Thank you again for the opportunity to respond to the draft report. If you have any questions, please contact Anna Dixon, Audit Liaison, at (202) 772-9580.

Sincerely,



Ashley J. Lewis
Acting Chief Procurement Officer

Washington, D. C. 20528

Appendix III: Contract File Review Criteria

Acquisition Planning

Does contract file contain evidence that acquisition planning was accomplished?

Does the service or product being acquired fall into categories exempt from acquisition planning?

Does planning documentation address the issues required in FAR 7.105?

Market Research

Does contract file contain evidence that market research was conducted?

Competition

Is the contract a Federal Supply Schedule buy?

Is the contract an order placed against an existing contract vehicle?

Was this a simplified acquisition?

Were sources excluded before competition was conducted?

Was full and open competition used?

If not competed, was other than full and open competition justified in accordance with FAR 6.302?

Small Business

Were small business requirements addressed? For example, was the contract set aside for small business or was participation in the 8(a) program¹ considered?

Contractor Evaluation/Contract Award

Does the solicitation state all factors that will affect contract award and their relative importance?

For contracts exceeding \$100,000, is past performance a factor for evaluation?

¹ The Small Business Administration's 8(a) Business Development Program, named for a section of the Small Business Act, is a business development program created to help small disadvantaged businesses compete in the American economy and access the federal procurement market.

Does the contract file contain a rationale to support the source selection decision?

Contract Administration

Is the Contracting Officer's Technical Representative identified in the contract file?

Is a quality assurance surveillance plan in the file?

Is there evidence that surveillance of the contractor is being performed as stated in the contract?

If the contract value exceeds \$100,000, is documentation of a contractor performance evaluation contained in the file in accordance with FAR 42.1502?

Contract Modifications

How many changes were issued subsequent to contract award? What were the reasons for the changes?

Appendix IV: List of Active Contract Files Reviewed (\$100 or More), as of April 3, 2002

Contract #	Contract title	Total contract value
Headquarters contracts		
COW-7-C-0011	Systemic Alien Verification for Entitlements (SAVE) system	\$82,746,489
COW-O-A-0075	E-form support	500,000
COW-O-C-1517	Access to fingerprint database	2,173,920
COW-9-C-0059	Computer-aided facility management	695,228
COW-2-P-1072	Extended warranty-uninterruptible power switch	24,500
COW-9-C-0013	Leased parking	320,256
COW-2-A-002*	Data entry	73,781,361
COW-8-C-0051	STARS Performance-CSC	1,042,012,160
COW-8-C-0049	STARS Performance-Lockheed Martin	935,560,889
COW-8-C-0052	STARS Performance-EDS	1,136,699,808
COW-O-A-0022	Acquisition Support-UTA	80,000,000
COW-O-A-0023	Acquisition Support-Tessada	80,000,000
COW-2-J-0470	Entry/Exit Program Mgmt. Spt.	3,369,524
COW-O-C-0063	Tunnel detection system - R&D	299,641
COW-2-D-1267	Drug testing	500,000
COW-2-A-0008	Body Armor-Safariland	5,000,000
COW-2-A-0007	Body Armor-PACA	5,000,000
COW-2-A-0078	Restructuring/transition to DHS	3,900,000
Burlington administrative center contracts		
ACB-OC-0002	Newark Detention Facility	\$73,053,762
ACB-2-C-0005	Queens Detention Facility	65,007,332
ACB-9-C-0005	Food service	619,014
ACB-OC-0013	Message switch	543,435
ACB-OC-0006	Ammunition	10,404,891
ACB-2-C-0002	Guard services	1,422,608
ACB-1-C-0002	Food services	2,962,468
ACB-2-P-0759	Sub-machine guns	258, 249
Dallas administrative center contracts		
ACD-8-C-0009	Laredo Detention Facility	\$40,647,128
ACD-9-C-0001	Houston Detention Facility	52,870,735
ACD-2-C-0009	Unarmed guard service	46,242,666

**Appendix IV: List of Active Contract Files
Reviewed (\$100 or More), as of April 3, 2002**

Contract #	Contract title	Total contract value
ACD-O-C-0038	Janitorial services	\$295,439
ACD-2-J-0682	Mail processing machine	134,615
COW-1-C-0070	Untrained dogs	1,775,000
ACD-2-J-0386	Data entry	190,594
ACD-O-J-0345	Administrative support	253,112

Laguna administrative center contracts

ACL-9-C-0045	Design/Build checkpoint	\$365,000
ACL-1-C-0005	Construction 2nd story addition	580,588
ACL-9-K-0006	Janitorial services	274,729
ACL-O-C-0002	Horseshoeing	193,495
ACL-0-C-0004	Boxed lunches	1,716,750
ACL-6-C-0003	Unarmed guard service	45,000,000
ACL-8-K-0011	Meals	2,308,605
ACL-O-C-0001	San Diego Detention Facility	134,711,980

Source: INS.

Appendix V: Warrant Authority of INS Contracting Officers

The following levels of warrant authority are from the INS *Procurement Career Management Handbook*:

Level I: Authority not to exceed \$25,000 for open market procurements, and \$100,000 for orders against Federal Supply Schedules, other FAR Part 8 required sources, and other existing, priced federal contracts.

Level II: Authority not to exceed \$100,000 for open market procurements, and unlimited authority for delivery orders against Federal Supply Schedules, other FAR Part 8 required sources, and other existing, priced federal contracts.

Level III: Authority not to exceed \$1,000,000 for open market procurements, and unlimited authority for delivery orders against Federal Supply Schedules, other FAR Part 8 required sources, and other existing, priced federal contracts.

Level IV: Unlimited authority for open market procurements and for delivery orders from Federal Supply Schedules, other FAR Part 8 required sources, and other existing, priced federal contracts.

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