DEPARTMENT OF HOMELAND SECURITY

Ongoing Challenges in Creating an Effective Acquisition Organization

What GAO Did This Study
In fiscal year 2006, the Department of Homeland Security (DHS) obligated $15.6 billion to support its broad and complex acquisition portfolio. Since it was tasked with integrating 22 separate federal agencies and organizations into one cabinet-level department, DHS has been working to create an integrated acquisition organization while addressing its ongoing mission requirements and responding to natural disasters and other emergencies. Due to the enormity of this challenge, GAO designated the establishment of the department and its transformation as high-risk in January 2003.

This testimony discusses DHS’s (1) challenges to creating an integrated acquisition function; (2) investment review process; and (3) reliance on contracting for critical needs. This testimony is based primarily on prior GAO reports and testimonies.

What GAO Found
The structure of DHS’s acquisition function creates ambiguity about who is accountable for acquisition decisions because it depends on a system of dual accountability and collaboration between the Chief Procurement Officer (CPO) and the component heads. Further, a common theme in GAO’s work on acquisition management has been DHS’s struggle to provide adequate support for its mission components and resources for departmentwide oversight. In 2006, DHS reported significant progress in staffing for the components and the CPO, though much work remained to fill the positions. In addition, DHS has established an acquisition oversight program, designed to provide the CPO comprehensive insight into each component’s acquisition programs and disseminate successful acquisition management approaches departmentwide. However, GAO continues to be concerned that the CPO may not have sufficient authority to effectively oversee the department’s acquisitions.

In 2003, DHS put in place an investment review process to help protect its major complex investments. In 2005, GAO reported that this process adopted many acquisition best practices that, if applied consistently, could help increase the chances for successful outcomes. However, GAO noted that incorporating additional program reviews and knowledge deliverables into the process could better position DHS to make well-informed decisions. Concerns have been raised about how the investment review process has been used to oversee its largest acquisitions, and DHS plans to revise the process.

DHS has contracted extensively for a broad range of services and complex acquisitions. The growing complexity of contracting for technically difficult and sophisticated services increases challenges in terms of setting appropriate requirements and effectively monitoring contractor performance. However, DHS has been challenged to provide the appropriate level of oversight and management attention to its contracting for services and major systems.

What GAO Recommends
While GAO is not making recommendations in this testimony, GAO has made numerous recommendations over the past few years to help improve DHS’s acquisition function. The department has generally concurred with these recommendations and is taking, or plans to take, action to improve its acquisitions.

United States Government Accountability Office