DEPARTMENT OF HOMELAND SECURITY

Better Planning and Oversight Needed to Improve Complex Service Acquisition Outcomes

What GAO Found

Over the past several years, GAO has found that appropriate planning, structuring, and monitoring of agency service acquisitions, including those that are performance-based, can help minimize the risk of cost overruns, delayed delivery, and unacceptably quality. Several prior GAO and DHS Inspector General reviews of major DHS investments using a performance-based approach point to such shortcomings. While all of the contracts GAO reviewed at the Coast Guard, CBP, and TSA had outcome-oriented requirements, contracts for four of the eight investments did not have well-defined requirements, or a complete set of measurable performance standards, or both at the time of contract award or start of work. These service contracts experienced cost overruns, schedule delays, or did not otherwise meet performance expectations. In contrast, contracts for the other four investments had well-defined requirements linked to measurable performance standards and met the standards for contracts that had begun work.

In managing its service acquisitions, including those that are performance-based, DHS has faced oversight challenges that have limited its visibility over service acquisitions and its ability to make informed acquisition management decisions. Notably, the department lacks reliable data on performance-based service acquisitions. About half of the 138 contracts identified by DHS as performance-based had none of the elements DHS requires for such contracts: a performance work statement, measurable performance standards, or a quality assurance surveillance plan. Such inaccurate data limit DHS’s ability to perform management assessments of these acquisitions. In addition, the Chief Procurement Officer, who is responsible for departmentwide procurement oversight, has not conducted management assessments of performance-based service acquisitions.

To help DHS improve outcomes for its service acquisitions, including those that are performance-based, GAO recommended that DHS routinely assess requirements for complex investments to ensure that they are well-defined, and develop consistently measurable performance standards linked to those requirements. GAO also recommended that DHS systematically evaluate the outcomes of major investments and relevant contracting methods and improve the quality of data to facilitate identifying and assessing the use of various contracting methods. DHS generally concurred with GAO’s recommendations, noting some departmental initiatives to improve acquisition management.