



Highlights of [GAO-10-588SP](#), a report to congressional addressees

Why GAO Did This Study

Department of Homeland Security (DHS) acquisitions represent hundreds of billions of dollars in life-cycle costs to support a wide range of missions. Creating acquisition policies and processes to provide insight into the performance of a wide array of complex investments, while also providing oversight for many component agencies new to acquisition management, has been an ongoing challenge for DHS.

GAO performed this review because DHS implementation and transformation is on GAO's high risk list. This report (1) provides an update on DHS's efforts to implement acquisition oversight for all investments; (2) describes acquisition performance and common challenges across selected programs; and (3) provides individual profiles for 18 selected programs, 15 of which were major programs that had initiated acquisition activities. GAO selected programs based on relevance to frontline homeland security missions and assessed cost and schedule performance and acquisition planning challenges.

What GAO Recommends

GAO is not making any new recommendations as this is intended as a status report. However, GAO has previously made numerous recommendations intended to improve acquisition management. DHS generally agreed with the findings and noted actions taken and efforts under way to improve the Department's acquisition review process.

[View GAO-10-588SP or key components.](#)
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DEPARTMENT OF HOMELAND SECURITY

Assessments of Selected Complex Acquisitions

What GAO Found

DHS continues to develop its acquisition oversight function and has begun to implement a revised acquisition management directive that includes more detailed guidance for programs to use when informing component and departmental decision making. The senior-level Acquisition Review Board (ARB) has begun to meet more frequently and has provided programs decision memorandums with action items to improve performance. The ARB reviewed 24 major acquisition programs in fiscal years 2008 and 2009; however, more than 40 major acquisition programs had not been reviewed, and programs have not consistently implemented review action items by established deadlines. Additionally, DHS has developed a database to capture and track key program information, including cost and schedule performance, contract awards, and program risks. At the component level, oversight officials are establishing new acquisition executive positions to manage acquisition processes, but departmental leadership has limited their decision authority due to staffing levels and inconsistencies between component- and department-level acquisition policies. Further, DHS acquisition management processes do not inform budget decisions as required by DHS policy, and as a result DHS is at risk of failing to maximize resources and ultimately meet critical mission needs.

GAO has found that program performance metrics for cost and schedule can provide useful indicators of the health of acquisition programs and can be valuable tools for improving insight and oversight of programs. Further, realistic program baselines with stable requirements, an adequate and skilled program office workforce, and knowledge of long-term support requirements are important factors to successful acquisitions. However, program performance cannot be accurately assessed without valid baseline requirements established at the program start, particularly those that establish the minimum acceptable threshold required to satisfy user needs. Using the best available information, GAO found that of the 15 major programs that had started acquisition activities, 12 reported cost growth, and almost all programs reported schedule delays. DHS policy requires acquisition oversight officials to assess the accuracy of life-cycle cost estimates for all major programs estimated to exceed \$1 billion and provides guidance for programs to develop life-cycle cost estimates. The responsible DHS acquisition oversight officials have raised concerns about the accuracy of cost estimates for most major programs, making it difficult to assess the significance of the reported cost growth. Further, over half of the programs GAO reviewed initiated acquisition activities without approved key planning documents that set operational requirements and establish program baselines. Programs also experienced other acquisition planning challenges, such as staffing shortages, and lack of sustainment planning, as well as execution challenges related to technical capability, partner dependence, and funding issues.

DHS's success in improving acquisition depends on further implementation of needed improvements and sustained management attention.