

GAO Highlights

Highlights of [GAO-20-417](#), a report to congressional requesters

Why GAO Did This Study

DHS's spending on services—such as guard services and technology support—represents over 75 percent of its annual contract obligations. The Office of Management and Budget has recognized that some service contracts require extra management attention because they pose a risk that the government could lose control of its decisions or operations.

GAO was asked to review DHS's use of and planning for service contracts. This report addresses, among other objectives, the extent to which DHS and selected components and offices use, oversee, and budget for service contracts.

GAO analyzed Federal Procurement Data System-Next Generation data from fiscal years 2013 through 2018; selected non-generalizable samples of four components with high service contract obligations and eight service contracts requiring heightened management attention; and interviewed DHS officials.

What GAO Recommends

GAO is making six recommendations, including that DHS provide guidance for documenting and updating the federal workforce needed to oversee certain service contracts and identifying oversight tasks, and report service requirement information in budget documents to Congress. DHS agreed with two of the recommendations and did not agree with four of them. GAO continues to believe the recommendations are valid, as discussed in the report.

View [GAO-20-417](#). For more information, contact Marie A. Mak at (202) 512-4841 or makm@gao.gov.

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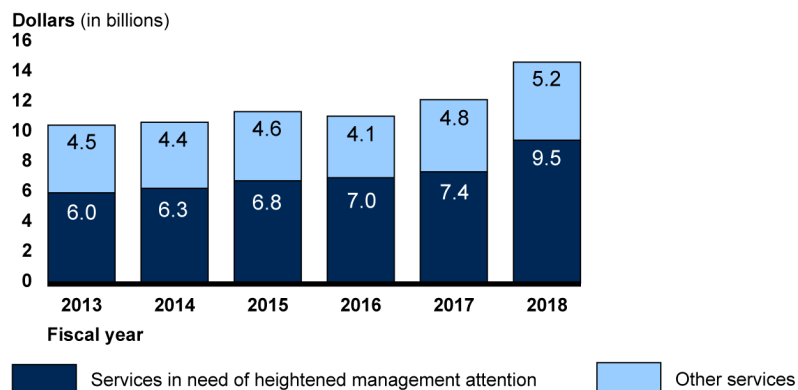
DHS SERVICE CONTRACTS

Increased Oversight Needed to Reduce the Risk Associated with Contractors Performing Certain Functions

What GAO Found

From fiscal years 2013 through 2018, the Department of Homeland Security (DHS) increased its reliance on contracts for services, particularly those in categories that may need heightened management attention, such as drafting policy documents (see figure). These services include functions that are closely associated with inherently governmental, critical, or special interest, which could put the government at risk of losing control of its mission if performed by contractors without proper oversight by government officials.

Proportion of Department of Homeland Security Contract Obligations for Services in Need of Heightened Management Attention, Fiscal Years (FY) 2013 through 2018, in FY 2018 Dollars



Source: GAO analysis of Federal Procurement Data System-Next Generation data. | GAO-20-417

GAO found that DHS and selected components do not consistently plan for the level of federal oversight needed for these contracts because there is no guidance on how to document and update the number of federal personnel needed to conduct oversight. GAO also found that program and contracting officials from six of the eight contracts GAO reviewed did not identify specific oversight activities they conducted to mitigate the risk of contractors performing functions in a way that could become inherently governmental. DHS lacks guidance on what these oversight tasks could entail. Without guidance for documenting and updating the planned federal oversight personnel needed, and identifying oversight tasks, DHS cannot mitigate the risks associated with service contracts in need of heightened management attention.

Selected DHS components have information on service requirements, but budget documentation—submitted to DHS headquarters as well as to Congress—does not communicate details about most estimated or actual service contract requirements costs. Given that services account for over three-quarters of DHS's annual funding for contracts, additional insights would shed light into how much of DHS's mission is being accomplished through services, including those requiring heightened management attention. Without more visibility into this information, DHS headquarters and Congress are at risk of not having complete information for sound resource planning and decision-making, particularly as it relates to determining what proposed service contract requirements DHS should prioritize when budgeting.