



Highlights of [GAO-06-996](#), a report to congressional requesters

# INTERAGENCY CONTRACTING

## Improved Guidance, Planning, and Oversight Would Enable the Department of Homeland Security to Address Risks

### Why GAO Did This Study

The Department of Homeland Security (DHS) has some of the most extensive acquisition needs within the federal government. In fiscal year 2005, DHS spent \$17.5 billion on contracted purchases, \$6.5 billion, or 37 percent, of which was through the use of other agencies' contracts and contracting services, a process known as interagency contracting. While these types of contracts offer the benefits of efficiency and convenience, in January 2005, GAO noted shortcomings and designated the management of interagency contracting as a governmentwide high-risk area. Given the department's critical national security mission and the results of our earlier work, GAO reviewed the extent to which DHS manages the risks of interagency contracting and assessed DHS' guidance, planning, and oversight of interagency contracting.

### What GAO Recommends

GAO recommends that the Secretary of Homeland Security consider the adequacy of the Office of the Chief Procurement Officer's resources and develop guidance and training; establish criteria to consider in the decision to use an interagency contract; and implement oversight to evaluate the outcomes of interagency contracts. DHS agreed with these recommendations. In addition, Congress should require the Secretary to report on efforts to provide the Chief Procurement Officer with sufficient authority.

[www.gao.gov/cgi-bin/gettrpt?GAO-06-996](http://www.gao.gov/cgi-bin/gettrpt?GAO-06-996).

To view the full product, including the scope and methodology, click on the link above. For more information, contact John Hutton at (202) 512-4841 or [huttonj@gao.gov](mailto:huttonj@gao.gov).

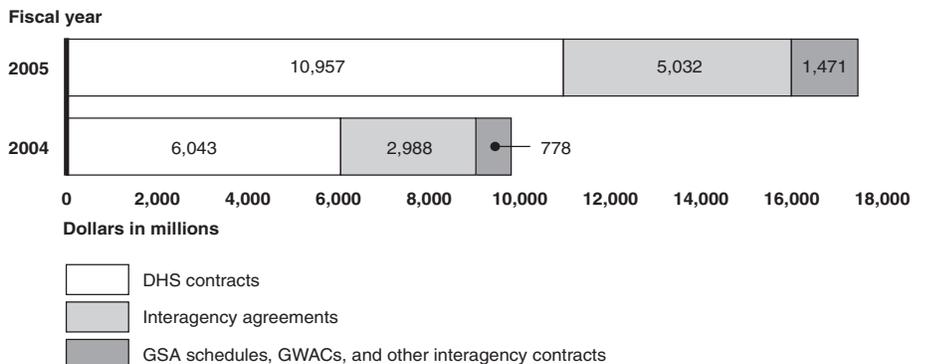
### What GAO Found

DHS has developed guidance on how to manage the risks of some but not all types of interagency contracts. The department has guidance for interagency agreements—the largest category of interagency contracting at the department— but does not have specific guidance for using other types of contracts such as the General Services Administration (GSA) schedules and governmentwide acquisition contracts (GWAC), which amounted to almost \$1.5 billion in fiscal year 2005. Moreover, in some cases we found users may have lacked expertise that could be addressed through guidance and training on the use of these types of contracts.

DHS did not always consider alternatives to ensure good value when selecting among interagency contracts. While this contracting method is often chosen because it requires less planning than establishing a new contract, evaluating the selection of an interagency contract is important because not all interagency contracts provide good value when considering timeliness and cost. As of July 2005 DHS has required planning and analysis of alternatives for all acquisitions. In this review, we found that in all four cases for which an analysis of alternatives was required, it was not conducted. DHS officials said benefits of speed and convenience—not total value including cost—have often driven decisions to choose these types of contracts.

DHS does not systematically monitor its total spending on interagency contacts and does not assess the outcomes of its use of this contracting method. According to officials, DHS' acquisition oversight program has been hindered by limited resources and authority. As of August 2006, the Office of the Chief Procurement Officer had five staff assigned to departmentwide oversight responsibilities for \$17.5 billion in acquisitions. In March 2005, GAO recommended that the Chief Procurement Officer be provided sufficient authority to provide effective oversight of DHS' acquisition policies and procedures. Without this authority, DHS cannot be certain that acquisition improvements are made.

**Growth in DHS Contracting**



Source: GAO analysis of DHS data.