

Why GAO Did This Study

The Department of Homeland Security's (DHS) Secure Border Initiative Network (SBI*net*) is to place surveillance systems along our nation's borders and provide Border Patrol command centers with the imagery and related tools and information needed to detect breaches and make agent deployment decisions. To deliver SBI*net*, DHS has relied heavily on its prime contractor. Because of the importance of effective contractor management and oversight to SBI*net*, GAO was asked to determine the extent to which DHS (1) defined and implemented effective controls for managing and overseeing the prime contractor and (2) effectively monitored the contractor's progress in meeting cost and schedule expectations. To do this, GAO analyzed key program documentation against relevant guidance and best practices, and interviewed program officials.

What GAO Recommends

GAO is making recommendations to DHS aimed at revising and implementing policies and procedures related to contractor deliverables and technical reviews, and improving EVM baselines and data. DHS agreed with GAO's recommendations and described actions to address them, but took exception with selected findings and conclusions regarding EVM implementation. GAO stands by these findings and conclusions for reasons discussed in the report.

SECURE BORDER INITIATIVE

DHS Needs to Strengthen Management and Oversight of Its Prime Contractor

What GAO Found

DHS has largely defined but has not adequately implemented the full range of controls that is reflected in relevant guidance and related best practices and is needed to effectively manage and oversee its SBI*net* prime contractor. To the department's credit, it has defined a number of key policies and procedures for verifying and accepting contract deliverables and conducting technical reviews, such as the criteria that need to be met before commencing and concluding a critical design review. Moreover, it has implemented some of these defined practices, such as those associated with training key contractor management and oversight officials. However, DHS has not effectively implemented other controls. For example, it has not adequately documented its review of contract deliverables and communicated to the prime contractor the basis for rejecting certain deliverables. Further, it has not ensured that key documentation satisfied relevant criteria before concluding key technical reviews. These weaknesses can be attributed in part to limitations in the defined verification and acceptance deliverable process, a program office decision to exclude certain deliverables from the process, and insufficient time to review technical review documentation. All told, DHS has not effectively managed and overseen its SBI*net* prime contractor, thus resulting in costly rework and contributing to SBI*net*'s well-chronicled history of not delivering promised capabilities and benefits on time and within budget.

DHS has not effectively monitored the SBI*net* prime contractor's progress in meeting cost and schedule expectations. While DHS has used earned value management (EVM), which is a proven management approach for understanding program status and identifying early warning signs of impending schedule delays and cost overruns, it has not ensured that its contractor has effectively implemented EVM. In particular, DHS has not ensured that validated performance baselines (the estimated value of planned work against which performance is measured) were timely, complete, and accurate. For example, the contractor was allowed to perform work on task orders for several months without a validated baseline in place. Further, not all work to be performed was included in the baselines that were eventually established, and the schedules for completing this work did not substantially comply with six of the eight key practices that relevant guidance states are important to having a reliable schedule. Also, DHS regularly received incomplete and anomalous EVM data from the prime contractor, which it had to rely on to measure progress and project the time and cost to complete the program. As a result, DHS has not been able to gain meaningful and proactive insight into potential cost and schedule performance shortfalls, and thus take corrective actions to avoid shortfalls in the future. Program officials attributed these weaknesses in part to the instability in the scope of the work to be performed, and the contractor's use of estimated, rather than actual, costs for subcontractor work and the subsequent adjustments that are made when actual costs are received. This inability has contributed to the program's failure to live up to expectations and to it costing more and taking longer than was necessary.