

# GAO Highlights

Highlights of [GAO-15-551](#), a report to the Committee on Homeland Security, House of Representatives

## Why GAO Did This Study

DHS's EAGLE II is a suite of strategic sourcing contracts, valued at \$22 billion, which serves as DHS's mandatory source for information technology services. Strategic sourcing is a process that moves an organization away from numerous individual procurements toward a broader aggregate approach to achieve cost savings and other efficiencies. The small business community has raised questions about strategic sourcing reducing contracting opportunities.

GAO was asked to examine the EAGLE II program. This report assesses (1) key steps DHS has taken to enhance small business participation and (2) EAGLE II goals, performance measures, and progress made to date. GAO reviewed EAGLE II acquisition planning documents and interviewed DHS procurement and small business staff. GAO analyzed federal procurement data from fiscal year 2013 through the second quarter of fiscal year 2015 and assessed reliability by comparing data to a nonprobability sample of 10 EAGLE II contracts selected from a variety of DHS components.

## What GAO Recommends

GAO recommends the Secretary of Homeland Security support implementation of EAGLE II goals by assessing the use of team members and teaming coordinators. DHS did not concur with GAO recommendations, citing actions already taken in soliciting and awarding the contracts. GAO believes there is still value in assessing whether team members are used for task orders, and that DHS's plan to survey EAGLE II users has merit.

View [GAO-15-551](#). For more information, contact Michele Mackin at (202) 512-4841 or [mackinm@gao.gov](mailto:mackinm@gao.gov).

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## DHS IT CONTRACTING

### Steps Taken to Enhance EAGLE II Small Business Opportunities, but Better Assessment Data Needed

#### What GAO Found

Department of Homeland Security (DHS) procurement officials reported taking three key steps to enhance small business participation in the Enterprise Acquisition Gateway for Leading-Edge Solutions II (EAGLE II) contracts:

- Creating small business tracks within each of EAGLE II's three lines of business, including socioeconomic set-aside tracks, to exclusively target competitions to small businesses in the first line of business. See table.

**Set-Aside Tracks for Each of EAGLE II's Lines of Business**

Eagle II lines of business	Small business track			Unrestricted track
	8(a)	HUBZone	SDVOSB	
Software design and development	✓	✓	✓	✓
Information technology program support services				✓
Independent verification and validation				✓

Source: GAO analysis of DHS data. | GAO-15-551

Note: 8(a) refers to the 8(a) Business Development Program; HUBZone refers to the Historically Underutilized Business Zone program, and SDVOSB refers to the Service-Disabled Veteran-Owned Small Business program.

- Establishing a process to maintain a steady pool of eligible small businesses by reopening the EAGLE II solicitation after requiring businesses that outgrow their small size status to leave the program.
- Requiring small business track prime contractors to team only with other small businesses.

As of March 2015, DHS had issued 74 EAGLE II task orders worth an estimated \$591 million, almost all of which—94 percent—went to small businesses. However, it is too soon to evaluate the full impact of these steps because only about 3 percent of the anticipated \$22 billion in task orders have been issued.

DHS established five goals for EAGLE II and developed performance measures to assess progress in meeting most of them. DHS established performance measures for the three EAGLE II goals related to cost savings and efficiencies through a methodology to assess cost savings, but has not fully set performance measures for the remaining two, relating to (1) the small business socioeconomic goal and (2) enhancing DHS mission capabilities. For its socioeconomic goal, DHS assesses progress via the percentage of the value of orders issued to small businesses. However, DHS does not assess whether use of team members (other small businesses) supports this goal, although DHS procurement officials told us teaming is key to enhancing small business participation. Further, DHS has not set a performance measure for assessing how the use of teaming coordinators contributes to the EAGLE II goal of enhancing DHS's mission capabilities. According to DHS, prime contractors are required to have teaming coordinators identify subcontractors with innovative services. Federal internal control standards highlight the importance of developing measures to compare expected outcomes to actual results. Without such measures, it will be difficult for DHS to have needed information to assess the extent to which the use of team members and teaming coordinators contribute toward their respective EAGLE II goals.