



Highlights of [GAO-07-990](#), a report to congressional requesters

DEPARTMENT OF HOMELAND SECURITY Improved Assessment and Oversight Needed to Manage Risk of Contracting for Selected Services

Why GAO Did This Study

In fiscal year 2005, the Department of Homeland Security (DHS) obligated \$1.2 billion to procure four types of professional and management support services—program management and support, engineering and technical, other professional, and other management support. While contracting for such services can help DHS meet its needs, there is risk associated with contractors closely supporting inherently governmental functions—functions that should be performed only by government employees.

This report (1) describes the contracted services, (2) identifies potential risk and the extent to which DHS considered risk when deciding to contract for these services, and (3) assesses DHS’s approach to managing and overseeing these services.

GAO analyzed 117 judgmentally selected statements of work and 9 cases in detail for contracts awarded in fiscal year 2005 by the Coast Guard, the Office of Procurement Operations (OPO), and the Transportation Security Administration (TSA).

What GAO Recommends

GAO recommends that DHS take actions to improve its ability to manage risk and ensure government control over and accountability for decisions resulting from services that closely support inherently governmental functions. DHS generally agreed with these recommendations.

www.gao.gov/cgi-bin/getrpt?GAO-07-990.

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.

What GAO Found

More than half of the 117 statements of work that GAO reviewed provided for reorganization and planning activities, policy development, and acquisition support—services that closely support the performance of inherently governmental functions. Other such services supporting a broad range of programs and operations at Coast Guard, OPO, and TSA included budget preparation, regulation development, and employee relations.

Decisions to contract for professional and management support services were driven by the need for staff and expertise to get programs and operations up and running. However, for the nine cases we reviewed, program officials did not assess the risk that government decisions may be influenced by, rather than independent from, contractor judgments. These cases included services that have the potential to increase this risk. For example, contractors directly supported DHS missions and performed on an ongoing basis work comparable to that of government employees. Most of the nine contracts also lacked detail or covered a wide range of services. Conditions such as these need to be carefully monitored to ensure the government does not lose control over and accountability for mission-related decisions. DHS has not explored ways to manage the risk of these contractor services, such as through total workforce deployment across the organization.

The level of oversight DHS provided did not always ensure accountability for decisions or the ability to judge whether the contractor was performing as required. Federal acquisition policy requires enhanced oversight of contracts for services that can affect government decision making, policy development, or program management. While contracting officers and program officials acknowledged their professional and management support services contracts closely supported inherently governmental functions, they did not see a need for increased oversight. Insufficient oversight increases the potential for a loss of management control and the ability to ensure intended outcomes are achieved.

Range of Contracted Services and Related Risk Level

| Basic services | Professional and management support services that do not closely support inherently governmental functions | Professional and management support services that closely support inherently governmental functions |
|---|--|---|
| <ul style="list-style-type: none"> • Custodial • Food • Landscaping • Snow removal • Storage • Trash collection | <ul style="list-style-type: none"> • Advertising • Banking • Parking • Records maintenance | <ul style="list-style-type: none"> • Acquisition support • Budget preparation • Developing or interpreting regulations • Engineering and technical services • Intelligence services • Policy development • Reorganization and planning |
| Low | ← Risk level → | High |

Source: GAO analysis.