



Highlights of [GAO-08-142T](#), a testimony before the Committee on Homeland Security and Governmental Affairs, United States Senate

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. While contracting for such services can help DHS meet its needs, using contractors to provide services that closely support inherently governmental functions increases the risk of government decisions being influenced by, rather than independent from, contractor judgments.

This testimony summarizes our September 2007 report to this Committee and others and focuses on (1) the types of professional and management support services DHS has contracted for and the circumstances that drove its contracting decisions, and (2) DHS's consideration and management of risk when contracting for such services.

GAO analyzed 117 statements of work and 9 case studies in detail for selected contracts awarded in fiscal year 2005 by the Coast Guard, the Office of Procurement Operations, and the Transportation Security Administration.

What GAO Recommends

Our September 2007 report recommended 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.

To view the full product, including the scope and methodology, click on [GAO-08-142T](#). For more information, contact John Hutton at (202) 512-4841 or huttonj@gao.gov.

DEPARTMENT OF HOMELAND SECURITY

Risk Assessment and Enhanced Oversight Needed to Manage Reliance on Contractors

What GAO Found

A broad range of program-related and administrative activities was performed under the four types of professional and management support services contracts we reviewed—program management and support, engineering and technical, other professional, and other management support. DHS decisions to contract for these types of services were largely driven by the need for staff and expertise to get programs and operations up and running. While DHS has identified core mission critical occupations and plans to reduce skill gaps in core and key competencies, it is unclear whether this will inform the department's use of contractors for services that closely support the performance of inherently governmental functions.

Program officials generally acknowledged that their professional and management support services contracts closely supported the performance of inherently governmental functions, but they did not assess the risk that government decisions may be influenced by, rather than independent from, contractor judgments—as required by federal procurement guidance. In addition, none of the program officials and contracting officers we spoke with was aware of these requirements, and few believed that their professional and management support service contracts required enhanced oversight. Federal guidance also states that agency officials must retain control over and remain accountable for policy and program decisions. For the nine cases we reviewed, the level of oversight DHS provided did not always help ensure accountability for decisions or the ability to judge whether contractors were performing as required. DHS's Chief Procurement Officer is implementing an acquisition oversight program—designed to allow flexibility to address specific procurement issues—with potential to address this issue.

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.