



Highlights of [GAO-05-179](#), a report to congressional requesters

# HOMELAND SECURITY

## Successes and Challenges in DHS's Efforts to Create an Effective Acquisition Organization

### Why GAO Did This Study

Department of Homeland Security (DHS) organizations are expected to work together to protect the United States from terrorism. To support this primary mission, DHS has been acquiring billions of dollars worth of goods and services. DHS also has been working to integrate the disparate acquisition processes and systems that organizations brought with them when DHS was created 2 years ago.

GAO was asked to identify (1) areas where DHS has been successful in promoting collaboration among its various organizations and (2) areas where DHS still faces challenges in integrating the acquisition function across the department. GAO was also asked to assess DHS's progress in implementing an effective review process for major, complex investments.

### What GAO Recommends

GAO recommends that the Secretary of Homeland Security consider adding resources to DHS's strategic sourcing program, correct deficiencies in departmentwide oversight of acquisition policies and procedures, add resources for contracting, and shore up its review process for acquiring major, complex investments. In written comments on a draft of this report, DHS agreed with the recommendations.

[www.gao.gov/cgi-bin/getrpt?GAO-05-179](http://www.gao.gov/cgi-bin/getrpt?GAO-05-179).

To view the full product, including the scope and methodology, click on the link above. For more information, contact Michael J. Sullivan at (937) 258-7915 or [sullivanm@gao.gov](mailto:sullivanm@gao.gov).

### What GAO Found

DHS's disparate organizations have quickly established collaborative relationships to leverage spending for various goods and services without losing focus on small businesses. DHS is using strategic sourcing, that is, formulating purchasing strategies to meet departmentwide requirements for specific commodities, such as office supplies, boats, energy, and weapons. By fostering collaboration, DHS has leveraged its buying power and savings are expected to grow. Also off to a good start is the small business program, whose reach is felt across DHS. Representatives have been designated in each DHS procurement office to help ensure that small businesses have opportunities to compete for DHS's contract dollars.

In contrast, lack of clear accountability is hampering DHS's efforts to integrate the acquisition functions of its numerous organizations into an effective whole. DHS remains a collection of disparate organizations, many of which are performing functions with insufficient oversight, giving rise to an environment rife with challenges, as shown in the following table.

**Challenges Facing DHS's Efforts to Integrate Acquisition Functions**

Problem areas	Challenges
Overall integration	New policy emphasizes need for unified, integrated acquisition organization but allows U.S. Coast Guard and U.S. Secret Service to remain exempt from integration efforts. Possible workload imbalances have not been addressed, nor has the lack of enforcement of program managers' training and certification.
Dual accountability	Some of the primary duties delegated to the Chief Procurement Officer have also been given to heads of DHS's organizations, resulting in confusion over who is ultimately accountable for acquisition decisions.
Chief Procurement Officer's oversight staff	Office has lacked sufficient staff to ensure compliance with DHS's acquisition regulations and policies.
Office of Procurement Operations' use of interagency contracting	Created almost 1 year after DHS was formed to support the organizations that lacked their own procurement support, Procurement Operations lacks sufficient staff and relies heavily on interagency contracting, but missing are management controls to properly oversee this activity, including fees paid to other agencies.

Source: GAO analysis.

Some of DHS's organizations have major, complex acquisition programs that are subject to a multitiered investment review process to help reduce risk and increase chances for successful outcomes in terms of cost, schedule, and performance. Part of the review process features a knowledge-based acquisition approach pioneered by successful commercial firms. DHS's adaptation of this best practices approach, however, does not require two critical management reviews and is missing some key information before decisions are made to invest additional resources. In addition, contractor tracking and oversight is not fully incorporated into DHS policy and guidance. Finally, some aspects of the review process—which has been under revision for many months—need clarification.