

Spotlight

Department of Homeland Security



Office of Inspector General

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Why This Matters

In both fiscal year (FY) 2009 and FY 2010, the Department of Homeland Security (DHS) obligated more than \$5 billion in other-than-firm-fixed-price contracts. These contract types provide contractors with limited incentive to control costs, increasing risks associated with the procurement of goods and services.

The Government recently increased regulation, Federal Acquisition Regulation (FAR) Case 2008-030, on the use and management of other than firm-fixed-price contracts. Compliance with this regulation will help mitigate DHS' risks associated with the procurement of goods and services.

DHS Response

DHS concurred with the recommendations and provided corrective actions to address the concerns identified. These corrective actions included updating and reaffirming DHS acquisition policy.

For Further Information:

Contact our Office of Public Affairs at (202)254-4100, or email us at DHS-OIG.OfficePublicAffairs@oig.dhs.gov

DHS Compliance with Federal Acquisition Regulation Case 2008-030

What We Determined:

DHS did not always comply with the revisions in FAR Case 2008-030, Proper Use and Management of Cost Reimbursement Contracts. DHS did not always document required information to justify the selection of other than firm-fixed-price contract-types and did not always assign acquisition workforce resources to manage other-than-firm-fixed-price contracts in accordance with the revisions. These conditions existed because DHS policies do not completely align with FAR Case requirements, or in some instances, because acquisition personnel did not comply with existing policies. As a result, DHS may not award or manage these contracts properly, increasing the risk associated with the procurement of goods and services.

What We Recommend

Department of Homeland Security Chief Procurement Officer:

- 1) Update the Department of Homeland Security acquisition policies to comply with all Federal Acquisition Regulation Case 2008-030 requirements for proper use and management of other than firm-fixed-price contracts.
- 2) Reaffirm guidance (e.g. Homeland Security Acquisition Manual and Acquisition Workforce Policies) to ensure acquisition personnel understand how the Federal Acquisition Regulation Case 2008-030 requirements affect existing and future contracts and orders.