



Department of Homeland Security Office of Inspector General

FEMA's Implementation of Best Practices in the Acquisition Process





Homeland
Security

February 19, 2009

Preface

The Department of Homeland Security (DHS) Office of Inspector General (OIG) was established by the *Homeland Security Act of 2002 (Public Law 107-296)* by amendment to the *Inspector General Act of 1978*. This is one of a series of audit, inspection, and special reports prepared as part of our oversight responsibilities to promote economy, efficiency, and effectiveness within the department.

This report presents the results of the audit of the Federal Emergency Management Agency acquisition process. We contracted with the independent public accounting firm of Urbach Kahn & Werlin LLP (UKW) to perform the audit. The contract required that UKW perform its audit according to generally accepted government auditing standards. UKW identified ten areas where the acquisition process could be improved.

UKW is responsible for the attached report dated January 29, 2009, and the conclusions expressed in the report.

The recommendations herein have been developed to the best knowledge available to our contractor, and have been discussed in draft with those responsible for implementation. We trust that this report will result in more effective, efficient, and economical operations. We express our appreciation to all of those who contributed to the preparation of this report.

A handwritten signature in cursive script that reads "Richard L. Skinner".

Richard L. Skinner
Inspector General

January 29, 2009

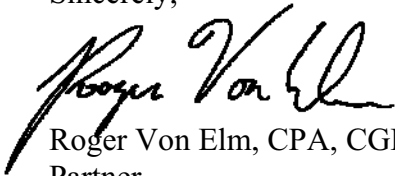
Mr. Matt Jadacki
Deputy Inspector General for Office of Emergency Management Oversight
Office of Inspector General
Department of Homeland Security
245 Murray Drive, Building 410
Washington, DC 20528

Dear Mr. Jadacki:

Urbach Kahn and Werlin performed an audit of the Federal Emergency Management Agency disaster acquisition process. The audit objective was to determine the extent to which the agency has incorporated best practices into the disaster acquisition process. This report presents the results of the audit and includes recommendations the agency can implement to enhance the acquisition program's overall success. We performed the audit as stipulated in Task Order TPDFIGBPA070009-0070.

We appreciate the opportunity to have conducted this audit. Should you have any questions, or if we can be of any further assistance, please call me at (571) 227-9500.

Sincerely,



Roger Von Elm, CPA, CGFM
Partner

Table of Contents/Abbreviations

Executive Summary	1
Background.....	2
Results of Audit	4
A Strategic Approach to Acquisition Operations	4
Recommendations.....	14
Management Comments and OIG Analysis	15
Improved Processes and Procedures.....	16
Recommendations.....	23
Management Comments and OIG Analysis	24

Appendices

Appendix A: Purpose, Scope, and Methodology.....	25
Appendix B: Management Comments to the Draft Report.....	27
Appendix C: FEMA Acquisition Management Division Organization Chart	29
Appendix D: June 2008 OAM Scorecard.....	30
Appendix E: Report Distribution	35

Abbreviations

CFO	Chief Financial Officer
CIO	Chief Information Officer
CO	Contracting Officer
DHS	Department of Homeland Security
FEMA	Federal Emergency Management Agency
FY	Fiscal Year
GAO	Government Accountability Office
LMD	Logistics Management Directorate
MD	Management Directive
OAM	Office of Acquisition Management
OCFO	Office of Chief Financial Officer
OIG	Office of Inspector General
RAMP	Remedial Action Management Program
UKW	Urbach Kahn & Werlin LLP

OIG

*Department of Homeland Security
Office of Inspector General*

Executive Summary

The Federal Emergency Management Agency leads the United States in preparing for, preventing, responding to, and recovering from disasters. The agency coordinates the federal response to disasters that overwhelm the resources of state and local governments. Urbach Kahn & Werlin LLP audited the Federal Emergency Management Agency to determine the extent to which it has incorporated best practices into the acquisition process.

The Office of Acquisition Management has begun to implement recognized best practices. Implementation of additional best practices should include:

- Developing a strategic plan that links to the agency plan or outcome-based performance measures that tie accomplishments to the agency's strategic goals;
- Working with program offices to create a more strategic approach to acquisition planning and management;
- Developing an oversight process to determine the efficiency and effectiveness of the acquisition program; and,
- Creating systems to document and share lessons learned throughout the acquisition function.

To help the Office of Acquisition Management become a “world-class organization,” we recommend that the office prepare a strategic plan and outcome-based performance measures, improve the visibility of the acquisitions function, monitor performance, accelerate planned acquisition process improvements, and develop systems to give all acquisition staff access to lessons learned. FEMA concurred with the recommendations and has begun to address some of the issues identified in the report.

Background

The Federal Emergency Management Agency (FEMA) Office of Acquisition Management (OAM) provides acquisition services to support FEMA's mission.¹ In fiscal years (FY) 2006 and 2007, FEMA obligated \$8.7 billion and \$1.8 billion, respectively, to contracts for goods and services. FEMA has committed to modernizing the acquisition function and to developing a procurement staff that operates efficiently and effectively.

In January 2008, FEMA issued the *FEMA Strategic Plan 2008–2013*. The plan contains high-level goals, themes, and strategies. FEMA intends to have program offices develop their own strategic plans in line with the agency plan. FEMA acknowledges that it must have an efficient acquisition process to achieve its vision to become *the Nation's Preeminent Emergency Management and Preparedness Agency*.

FEMA's Strategic Goals

1. Lead an integrated approach that strengthens the Nation's ability to address disasters, emergencies, and terrorist events;
2. Deliver easily accessible and coordinated assistance for all programs;
3. Provide reliable information at the right time for all users;
4. FEMA invest in people and people invest in FEMA to ensure mission success; and,
5. Build public trust and confidence through performance and stewardship.

FEMA Strategic Plan 2008–2013

Department of Homeland Security (DHS) Management Directive (MD) Number 0784 establishes acquisition oversight policies and procedures. It requires the Director, OAM, to perform a self-assessment annually, using an Acquisition Evaluation Framework included in the directive. The self-assessment

Self-Assessment Elements

- Organizational Leadership and Alignment
- Policies and Processes
- Human Capital
- Knowledge and Information Management
- Financial Accountability

DHS MD 0784

¹ In January 2009, OAM was renamed the Acquisition Management Division as part of a FEMA Management Directorate realignment. See Appendix C for updated organization chart.

looks at five interrelated elements necessary to promote an efficient, effective, and accountable acquisition process.

DHS derived its Acquisition Evaluation Framework from a U.S. Government Accountability Office (GAO) tool called *Framework for Assessing the Acquisition Function at Federal Agencies (Framework)*.² The framework identifies “critical success factors” that serve as best practice indicators. Implementing best practices enhances the likelihood that an acquisition organization will consistently achieve desired acquisition outcomes. Excerpts from the GAO *Framework* and DHS MD 0784 are used throughout the report to illustrate best practices.

Recent DHS OIG reports have identified problems with FEMA’s acquisition process. One report found that FEMA incurred up to \$5.6 million in excessive costs when a contractor did not act in the best interest of the government.³ This report recommended that FEMA develop and implement a quality assurance program for contracting staff that would ensure contractors’ compliance with contract terms and conditions. Another report found that FEMA needed permanent trained staff to:

- Conduct acquisition planning,
- Obtain independent cost/price analysis prior to contract award, and
- Perform contract monitoring, including the inspection and acceptance of goods and services.⁴

A third report found that FEMA logistics systems do not track disaster goods provided by all external partners.⁵

² U.S. Government Accountability Office, *Framework for Assessing the Acquisition Function at Federal Agencies*, GAO-05-218G, September 2005.

³ DHS Office of Inspector General, *Costs Incurred for Rejected Temporary Housing Sites*, OIG-08-86, August 2008.

⁴ DHS Office of Inspector General, *Hurricane Katrina Temporary Housing Technical Assistance Contracts*, OIG-08-88, August 2008.

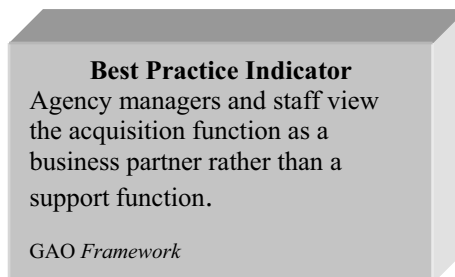
⁵ DHS Office of Inspector General, *Logistics Information Systems Need to Be Strengthened at the Federal Emergency Management Agency*, OIG-08-60, May 2008.

Results of Audit

A Strategic Approach to Acquisition Operations

FEMA has organized the acquisition function to operate strategically, but program offices have not properly integrated the acquisition function into their decision-making activities. Effectively planning the acquisition process requires attention to the larger context within which acquisitions occur. Planning strategically requires that the acquisition function partner with other organizational components and assist in assessing internal requirements and the impact of external events. FEMA's acquisition function should work with program offices to manage the acquisition process, and monitor and provide oversight to achieve desired outcomes and to employ knowledge-based acquisition approaches.

Incorporate Acquisitions into Strategic Planning: FEMA has not assigned the acquisition function the proper degree of responsibility and authority for strategic planning. Both FEMA's current and prior strategic plans describe the acquisition function as a support function rather than a business partner in planning, managing, and overseeing the agency's purchase of goods and services. To make strategic decisions that achieve acquisition outcomes more effectively and efficiently, the acquisition function must be assigned the appropriate degree of responsibility and authority for strategic planning, management, and oversight of the agency's purchases of goods and services.

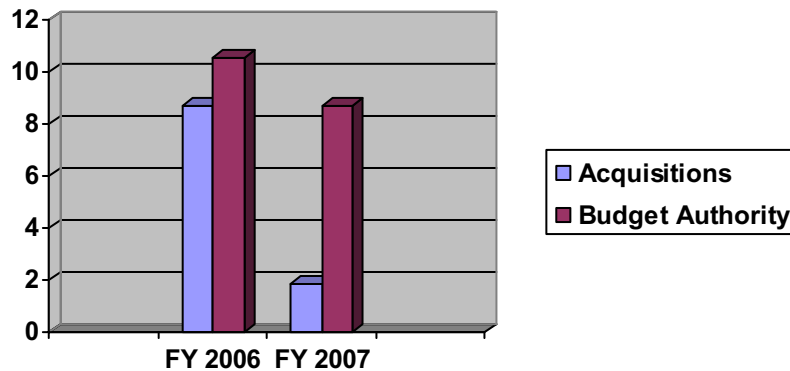


FEMA's acquisition function plays a key role in preparedness, protection, response, recovery, and mitigation. To respond to disaster needs following the 2005 Gulf Coast hurricanes, FEMA programs purchased goods and services totaling \$8.7 billion in FY 2006; these acquisitions equaled almost 83% of FEMA's FY 2006 \$10.5 billion budget authority and equaled FEMA's entire FY 2007 budget authority.⁶ Acquisition expenditures dropped in FY 2007, but they were still significant at \$1.9 billion.

⁶ Budget authority (congressional authority to spend federal funds) taken from Homeland Security Budget in Brief Fiscal Year 2008, available at <http://www.dhs.gov/xabout/budget>.

Figure 1 illustrates the relationship between FEMA acquisitions and its budget authority for FY 2006 and 2007.

Figure 1. FEMA Acquisitions/Budget Authority in Billions



Source: Urbach Kahn & Werlin, based on FEMA data

Leading organizations see the acquisition function as a business partner in supporting mission needs and plan the acquisition of goods and services from an agency-wide perspective. Key elements of effective strategic planning require that acquisitions planning and strategy development support the agency's mission rather than focus on the needs of individual units. To support program mission accomplishment, OAM should actively participate in program strategic planning activities.

Recently, FEMA revised its strategic plan and issued strategic planning guidance to program offices on how to plan to accomplish FEMA's goals. The strategic plan commits to move FEMA program offices away from a focus on their individual missions toward

an integrated goal structure that combines program efforts to use resources efficiently

toward a common strategic goal. As FEMA program offices develop their strategic plans, they have the opportunity to develop integrated acquisition strategies rather than focusing on individual program needs. Using this approach, program offices should include OAM in strategic decision making throughout the planning process.

Best Practice Indicator
The agency has structures in place that require appropriate coordination among stakeholders developing and implementing acquisition strategies.
GAO Framework

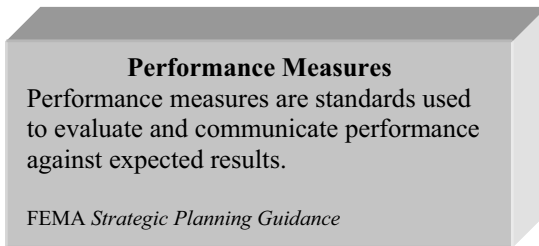
FEMA issued *Strategic Planning Guidance for FEMA Directorates and Offices (Working Draft, June 2008)* to help program offices develop strategic plans that outline their strategic vision and direction, and to provide more detailed strategies and milestones that help implement FEMA’s Strategic Plan. The guidance suggests that program offices engage employees, partners, and stakeholders early in the strategic planning process, and coordinate with other FEMA organizations and with external partners and stakeholders.

After Hurricane Katrina, OAM developed a strategy map to guide its internal operations and prepared a scorecard that lists significant initiatives and planned actions, and measures progress in implementing the initiatives. However, the strategy map is not tied to FEMA’s overall mission strategy, and the performance measures on the scorecard do not gauge OAM’s contribution to FEMA’s mission and goals.

OAM said that the initiatives were not intended to be connected to the FEMA Strategic Plan or goal structure. Instead, the initiatives address both findings from various audits or management-initiated studies and improvements that OAM wants to make in leadership and organizational alignment, knowledge and information management, human capital, policies and processes, financial accountability, and customer satisfaction. OAM tracks progress and updates the scorecard periodically. The scorecard is a helpful tool, but it could be more effective if it were tied to FEMA’s mission strategy.

Although the scorecard includes “Outcome Measures,” the measures are output or efficiency measures based on FEMA *Strategic Planning Guidance* definitions.

In June 2008, OAM reported that it had completed action on about 40% of the initiatives. Appendix D contains the June 2008 scorecard.



FEMA’s *Strategic Planning Guidance* discusses three types of performance measures:

- **Output** measures refer to the internal activities of a program (i.e., the products and services delivered). For example, an OAM output measure is “# of partnering sessions conducted each quarter by OAM with partners.”
- **Outcome** measures describe the intended result of carrying out a program or activity. They define an event or condition that is external to the program or activity and directly important to the intended beneficiaries and/or the general public. The OAM scorecard does not include any outcome measures.
- **Efficiency** measures address return on investment, depicted in terms of dollars, time, or process. An OAM efficiency measure is “% of contracts closed after performance period ends.” Quickly closing contracts at their completion allows excess funds to be used for new purposes.

FEMA strategic planning and analysis officials said they expect support offices, including OAM, to develop outcome and efficiency measures for their activities. Figure 2 shows examples of scorecard initiatives and categorizes the associated measure.

Figure 2. Strategic Scorecard Initiatives and Measures

Initiative	Measure	Output Efficiency
Develop and implement Contract Review Board review process	% of contract actions receiving first time Contract Review Board approval	Output
Compare annual cost to spend to standard and develop improvement strategies	Cost to Spend Ratio	Efficiency
Develop plan for community activities	# of FEMA/OAM developed and sponsored community activities	Output
Solicit and act on employee feedback to improve the workplace (e.g., employee satisfaction survey)	% of employees rating overall job satisfaction as good or better	Output

Source: UKW

Without outcome-oriented performance measures, it is difficult for other offices or directorates and acquisitions staff to see how their efforts and accomplishments support FEMA’s goals. For example, although partnering sessions are important to improve OAM and program relationships, in the long term OAM should determine if

the partnering sessions result in more timely, comprehensive contracts that enable FEMA:

- To deliver easily accessible and coordinated assistance (FEMA Goal 2), and
- To build public trust and confidence through performance and stewardship (FEMA Goal 5).

FEMA's *Strategic Planning Guidance* should recognize that contribution and require program offices to strategically plan acquisitions and include the acquisition function in strategic planning activities.

Further, OAM should strategically plan and link its activities to the FEMA mission and goals, and develop performance measures that evaluate and communicate OAM's contribution to FEMA's overall disaster preparedness and response mission. Without clear goals and measures, OAM cannot be sure it is using resources to best support the FEMA mission.

Organizational Leadership and Alignment

Agency leaders need to effectively communicate the importance of the acquisition function to the agency's mission and use meaningful metrics in measuring the effectiveness of the acquisition function.

DHS MD 0784 Guidebook

OAM Reorganized and Increased Staff: Even after reorganizing and increasing staff, OAM still does not have the resources or stature it needs to create a more strategic approach to acquisition planning and management. Traditionally, organizations fragmented the acquisition function among business units, with each unit responsible for its own acquisition activities. Leading organizations have transformed the acquisition function from one focused on supporting various business units to one that is strategically important to the bottom line of the whole organization.

Organizational Leadership and Alignment

How an agency organizes and manages its acquisition function affects its ability to operate strategically.

GAO Framework

Since the 2005 Gulf Coast hurricanes, FEMA has reorganized the headquarters acquisition function and more than doubled nationwide acquisitions staff, from 98 positions in 2006 to 237 positions allocated in 2008. In 2007, FEMA's Office of Management reorganized the headquarters Chief Procurement Office to create OAM. OAM has three primary branches.

The **Acquisition Program and Planning Branch** works with FEMA program offices, other federal agencies, and industry to reduce risk, minimize cost, and maximize the efficiency of response activities. The branch is studying FEMA-wide spending and supplier pricing practices to enable FEMA to acquire commodities more economically. The branch has begun working with program offices to:

- Improve the overall quality and consistency of procurement packages;
- Improve collaboration and communication between OAM and program office stakeholders and to educate and train program office staff;
- Improve the awareness of roles and responsibilities of all participants in the acquisition life cycle; and
- Develop strategies to support high-priority acquisitions and review their status to manage risk.

The **Acquisition Operations Branch** houses headquarters contracting officers (CO) and other acquisition staff who make purchases for FEMA program offices. The branch recruits, hires, trains, and deploys contracting staff who respond to disasters. OAM handled 10,905 contract actions in FY 2007 and anticipated handling more than 11,000 during FY 2008.

The **Acquisition Policy and Legislation Branch** responds to congressional inquiries and develops policies and procedures to govern acquisition activities. The branch develops strategies and processes to address a number of OAM's strategic scorecard initiatives.

In the past, FEMA has been criticized for not anticipating the need for disaster response supplies and services and not having contracts in place to support response activities before a disaster occurs.

Working with program offices, the reorganized larger OAM had close to 70 pre-positioned contracts and interagency agreements in place at the beginning of the 2008 hurricane season.

OAM has not reached its authorized staffing level. Not maintaining authorized staffing levels impedes OAM's ability to timely implement its planned initiatives. For additional information on staffing levels and other acquisitions workforce issues, see *Challenges Facing FEMA's Acquisition Workforce*, OIG-09-11, November 2008.

Partnering in Program Operations: FEMA could better position acquisition staff to ensure proper purchasing decisions during disaster response activities. Organizational alignment refers to the appropriate placement of the acquisition function in the organization, with stakeholders having clearly defined roles and responsibilities. The goal of organizational alignment is to ensure that the acquisition function enables FEMA to meet its overall missions and needs. To meet that goal, the acquisition function needs proper management support and visibility within the organization.

In the past, FEMA managers viewed acquisitions as a support function rather than a business partner, but program offices are beginning to recognize the value of including acquisitions staff in important decisions. A proposed change in the disaster response decision-making framework could position acquisitions staff within the framework to improve collaboration and coordination and to add visibility regarding acquisition controls and protocols for mitigating fraud, waste, and abuse.

During disaster response activities, decisions to buy goods and services are made by a group of officials that can include representatives of federal, state, and local governments and other organizations, and is led by a coordinating officer; however, OAM does not have a "seat at the table."

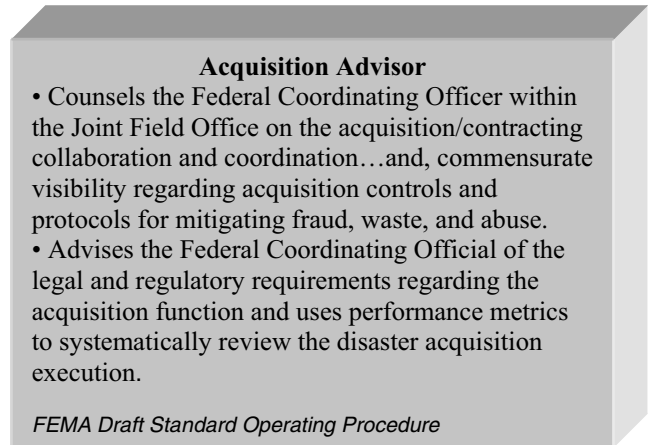
Critical Success Indicator
Agency leaders view the acquisition function as a strategic asset in support of core agency missions and business processes.
GAO Framework

An acquisitions representative is not a part of the decision-making group. The acquisitions representative (a CO), reports to the

Finance/Administration Section and has little opportunity to influence decisions because of this reporting structure. To address this, FEMA's Disaster Operations Directorate issued draft changes to the disaster response framework that included creating a high-level acquisition advisor position.

The acquisition advisor would counsel the Federal Coordinating Officer, thus increasing the visibility of acquisitions and giving acquisitions the opportunity to help the Federal Coordinating Officer avoid

critical errors in acquisitions. The CO position that is part of the Finance/Administration Section would remain. As of July 2008, the proposed changes had not been implemented.



Acquisition Advisor

- Counsels the Federal Coordinating Officer within the Joint Field Office on the acquisition/contracting collaboration and coordination...and, commensurate visibility regarding acquisition controls and protocols for mitigating fraud, waste, and abuse.
- Advises the Federal Coordinating Official of the legal and regulatory requirements regarding the acquisition function and uses performance metrics to systematically review the disaster acquisition execution.

FEMA Draft Standard Operating Procedure

Partners' Inventories: Access to partner inventory information could help optimize FEMA's response and recovery acquisition strategy. State and local governments are the first line of response to a disaster. When FEMA is called upon to supplement state and local efforts, FEMA acquires goods from other federal agencies and from nonfederal organizations to supplement its on-hand stocks. However, FEMA does not have full visibility of its partners' inventories, increasing the risk that it will make unsound purchasing decisions based on incomplete information.

FEMA's Logistics Management Directorate (LMD) provides logistics support, services, and operations to FEMA. To determine acquisition requirements, LMD needs to know its

Before an emergency, logistics may entail:

- Acquiring equipment
- Stockpiling supplies
- Preparing a response inventory

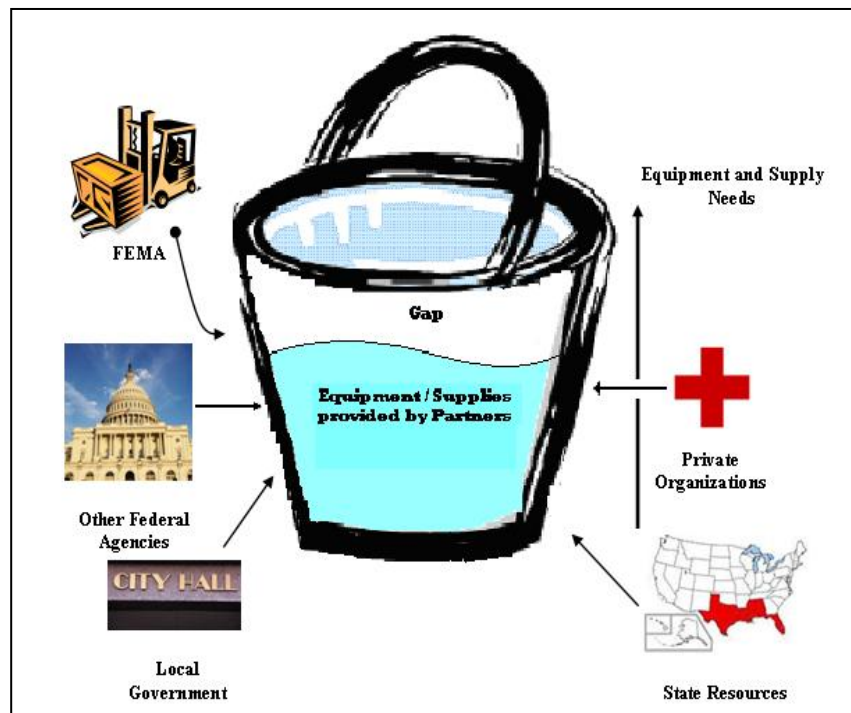
During an emergency, logistics may entail:

- Moving back-up equipment into place
- Arranging for medical support, food, and transportation

www.fema.gov

partners' response inventories, inventory locations, and planned purchases. Then it can address inventory gaps by contracting with suppliers. FEMA refers to inventory gaps as its "bucket list." Figure 3 illustrates the inventory gap.

Figure 3. Emergency Response Inventory Sources and Gap



Source: UKW prepared using FEMA data

FEMA has a system that tracks its own inventories and facilitates the movement of property and commodities from the time they are

ordered through shipping and receipt.⁷ FEMA’s method of tracking what partners have in their inventories is manual and recorded on computer spreadsheets, which are updated periodically.

LMD officials said they want to have an improved inventory tracking system within 2 years. Their vision for the automated system includes tracking FEMA inventories via barcodes; integrating FEMA logistics with FEMA financial and procurement databases; and tracking partners’ disaster response inventories, inventory locations, and planned purchases. Online access to partners’ inventories would enable LMD to make more informed decisions as it prepares its acquisition strategy and planning, reducing FEMA’s risk of being over- or under- prepared.

Acquisition Evaluation: OAM is not using effective oversight processes to protect the integrity and accountability of the acquisition function and to ensure that it operates efficiently and effectively. Organizations recognized for best practices cite leadership as the most critical factor in providing direction and vision and, if necessary, changing an organization’s culture.

Congress recognized the critical role of leaders in providing direction and vision by requiring certain civilian agencies to designate a chief acquisition officer to take primary responsibility for managing acquisitions.

Critical Success Indicator
Senior leadership and management support monitoring to assess the quality of internal control performance and to ensure that issues are promptly resolved.
GAO Framework

The officer’s responsibilities include evaluating the performance of acquisition programs, advising the agency head on business strategies, and directing acquisition policy for the agency.

As part of the scorecard initiative, OAM plans to establish an acquisition oversight program. An OAM manager said that the oversight would emphasize compliance with:

- Laws and regulations, and
- Contract file maintenance requirements.

⁷ The DHS OIG report *Logistics Information Systems Need to Be Strengthened at the Federal Emergency Management Agency*, OIG-08-60, May 2008, discusses FEMA’s efforts to improve the information systems supporting its disaster response logistics processes.

OAM originally planned to establish the oversight program by April 30, 2008, but according to the June scorecard, the due date had slipped to December 30, 2008. The OAM manager responsible for creating the program intends to first establish an oversight framework and plan, and then create the oversight program. She did not think any reviews would take place for a couple of years, to allow time to train staff and give them a chance to become familiar with the oversight program.

Implementing the oversight program as originally planned would have helped OAM determine if it was following federal, departmental, and FEMA acquisition rules and regulations. The planned program could be more useful to management if it includes reviews of the efficiency, effectiveness, and economy of the acquisitions process. Without an oversight process, OAM is not taking adequate steps to determine if its policies and processes are achieving intended outcomes or to identify instances where actions are needed to improve the acquisition process.

Recommendations

We recommend that the Administrator, Federal Emergency Management Agency:

Recommendation # 1: Emphasize the important role of the acquisition function in strategic planning. Specifically, the Administrator should require program offices to coordinate with the Office of Acquisition Management and other stakeholders early and throughout the strategic planning process to develop efficient, effective, and economical acquisition strategies.

We recommend that the Director, Office of Acquisition Management, Federal Emergency Management Agency:

Recommendation #2: Develop an Office of Acquisition Management strategic plan and performance measures that link acquisition activities to FEMA's goals, identify short- and long-term priorities, and develop multi-year work plans to address priorities. The Director should also redirect staff or request increases to staffing levels to address priority initiatives and integrate acquisitions into program office activities.

We recommend that the Administrator, Federal Emergency Management Agency:

Recommendation #3: Finalize the draft Joint Field Office Standard Operating Procedures to include the Acquisitions Advisor reporting to the Federal Coordinating Officer and participating with other top leaders of the Joint Field Office command structure in responding to disaster situations.

We recommend that the Director, Office of Acquisition Management, Federal Emergency Management Agency:

Recommendation #4: Work with the Logistics Management Directorate to develop an automated system to capture data on partner response inventories and to develop an acquisition strategy to deal with inventory gaps.

Recommendation #5: Accelerate development and implementation of the acquisition oversight program. The oversight program should be comprehensive and should include acquisition economy, efficiency, and effectiveness as well as compliance with laws and regulations and contract file maintenance. The Office of Acquisition Management should coordinate with the Office of Inspector General as it plans the reviews.

Management Comments and OIG Analysis

FEMA concurred with the recommendations and said that it would provide a detailed corrective action plan in its 90-day response. With regard to recommendation #5, FEMA said that it has drafted an acquisition oversight program policy directive; it is developing a business case to add a Contracting Administration and Quality Control Branch to the Management Directorate's Acquisition Management Division; and, it has developed audit guidelines and checklists and identified activities to audit in FY 2009. We consider FEMA's current and planned actions responsive to the recommendations.

Improved Processes and Procedures

Policies and processes embody the basic principles that govern the way an agency performs the acquisition function. Ideally, policies and processes clearly define the roles and responsibilities of agency staff, empower people across the agency to work together effectively to procure desired goods and services, and establish expectations for stakeholders to strategically plan acquisitions and proactively manage the acquisition process. This approach requires engagement by all relevant stakeholders, including program offices, financial managers, human capital officials, and other appropriate officials.

Leading organizations develop effective knowledge management systems to document and share best practices to improve performance and to transfer lessons learned. Leading organizations have found that more cooperative business relationships with suppliers have improved their ability to respond to changing business conditions. They establish commodity managers for key goods and services. These commodity managers are involved in defining requirements with internal customers, negotiating with providers of goods and services, and assisting in resolving issues after the contract is awarded.

Sharing Best Practices: One of the methods leading organizations employ to improve operations is identifying and sharing lessons learned and best practices among stakeholders. OAM needs a systematic approach to identify and share lessons learned and best practices identified during external and internal reviews. Without some sharing mechanism, acquisition staff cannot readily take advantage of efficiencies gained through program improvements, and OAM risks missing opportunities to improve the acquisition function.

FEMA has systems that could be used more effectively to support acquisition process improvements. In July 2003, FEMA launched the Remedial Action Management Program (RAMP) to identify and remedy operational and programmatic issues encountered in disaster response and recovery operations and exercises and to capture lessons learned and smart practices that would become part of a Web-based national library accessible to all levels of government. OAM said that the RAMP process is ineffective and more like a “complaints forum,” and that it does not usually use the RAMP process to document best practices or technical issues that arise during disaster response activities.

After a disaster, FEMA program offices assess their response performance during a process known as a “hot wash.” “Hot wash” results should be posted to the RAMP library.

Hot Washes Identify:
Operational efficiencies and effectiveness
Contracting effectiveness
OAM Branch Chief

But FEMA officials said that the process was informal and they do not document all issues and problems, nor do they vet all issues and problems with appropriate FEMA officials and managers to determine an appropriate course of action. Further, the RAMP library does not capture the results of all “hot washes.”

OAM offers acquisition staff access to Virtual Acquisition Office™ (VAO), an acquisition knowledge management subscription service. VAO provides online access to information on the contracting process, quality checklists, samples, and a reference library. It includes links to current FEMA acquisition policies and procedures.

OAM does not have a process to communicate acquisitions best practices used in one region throughout FEMA. For example, one regional CO compared the cost of purchasing office supplies with purchase cards to the cost using local vendor blanket purchase agreements at a field office. The comparison showed that using blanket purchase agreements was more efficient and economical. The region changed its purchasing process consistent with the results, but the results were not shared throughout FEMA. If other regions had performed the analysis, they might have identified opportunities for similar efficiencies and economies.

Best Practice Indicator
Lessons learned are identified and shared among stakeholders.
GAO Framework

OAM cannot rely on the RAMP library for a complete list of lessons learned and best practices identified during disaster response and recovery operations. It does not have a process for collecting and sharing individual lessons learned. To improve the acquisition program, OAM should begin sharing best practices. It may be able to do so by posting them to VAO.

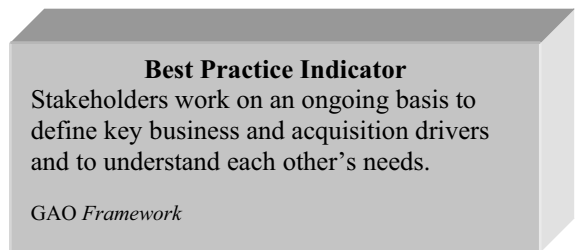
Teamwork and Communications: OAM needs to improve communications and coordination with program offices. Leading organizations have found that an acquisition function that successfully supports agency missions employs a multidisciplinary approach. This approach requires engagement by all stakeholders to identify needs, assess alternatives, develop cost-effective acquisition approaches, and help ensure financial accountability.

OAM is working to ensure that acquisitions staff communicates effectively with program offices by:

- Having contracting officials attend program office staff meetings so that they can work with the offices on acquisition issues;
- Using portfolio managers to guide the acquisition process; and
- Training program officials on developing complete acquisition packages and on the acquisition life cycle.

OAM and stakeholders are not always successful in working together to identify needs, assess alternatives, and coordinate as an acquisition action

moves through the process. Program officials said that they did not understand why it took so long to get an acquisition action through the process to an award.



For example, a program official met with OAM in August 2007 to discuss a trailer maintenance and deactivation contract. Because of confusion between the program office and the OAM contracting specialist, and because OAM changed contracting specialists twice during the acquisition process, the contract had still not been awarded in July 2008, 11 months later.

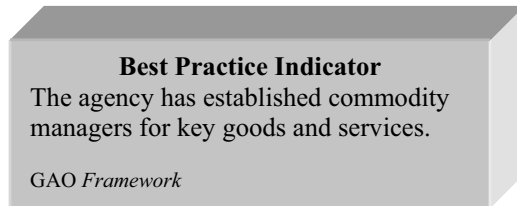
COs were challenged in working with program offices, as well. COs said that program offices had unrealistic expectations of the timing for contract award and service delivery and that program officials did not understand the acquisition process. COs at all

levels said that incomplete acquisition packages continue to be the number one cause of a breakdown in the acquisition process.

OAM and program officials must work together to develop a common understanding of each other's challenges and needs to execute their roles and responsibilities effectively.

Strategic Sourcing: OAM has begun strategic sourcing activities, but it needs to accelerate its efforts to take advantage of likely acquisition economies and efficiencies. Leading organizations establish commodity managers to manage key supplies and services that have high dollar value or significant impact on agency mission. Commodity managers should be involved in defining requirements with internal clients, negotiating with potential providers of goods and services, and assisting in resolving performance or other issues after the contract is awarded. Such relationships have led to lower costs, higher quality, and shorter product design and delivery times.

In May 2005, the Office of Management and Budget issued a memorandum to federal Chief Acquisition Officers, Chief



Financial Officers (CFO), and Chief Information Officers (CIO) directing them to develop and implement agency strategic sourcing efforts. The office defined strategic sourcing as the collaborative and structured process of critically analyzing an organization's spending and using this information to make business decisions about acquiring commodities and services more effectively and efficiently.

In September 2007, FEMA initiated its program for strategically managing the sourcing function. FEMA designed the strategic sourcing program to become "a better steward of its resources by systematically developing, documenting and applying sustainable strategies to deliver measurable best value to FEMA."⁸ The strategic sourcing program includes goals and a timeline. The timeline called for the program to be operational by September 2008. OAM is making progress in implementing its plan, but much remains to be accomplished.

⁸ Excerpt from FEMA Strategic Sourcing Program, Concept of Operations.

FEMA has begun two strategic sourcing initiatives. Under one initiative, OAM worked with the FEMA CIO on a spend analysis of wireless telecom acquisition data, which resulted in potential cost savings of \$2.2 million in FY 2007. Under the second initiative, OAM secured CIO executive sponsorship for an integrated product team/commodity council for information technology operation and maintenance requirements.⁹ OAM developed a detailed project plan and had begun a spend analysis. The information technology contract has a value of approximately \$800 million over 5 years. OAM estimates that FEMA can save from \$9 million to \$28 million per year through this initiative.

FEMA does not have individual contracts in place to ensure that it receives the best value for purchases such as office supplies, commodities, and services. However, OAM has assigned commodity managers to gain industry knowledge, which should result in more favorable negotiation outcomes with suppliers. OAM also plans to create additional commodity councils. OAM intends to address other areas, including creating an Information Technology Depot and developing more strategic sourcing contract initiatives for food, water, shelter, transportation, and medicine.

OAM officials said that some of the main challenges they need to overcome to achieve their goals are:

- Establishing more effective supplier relationships and employing more rigorous supplier selection to create a strong supplier base;
- Establishing commodity managers to manage key goods and services more effectively;
- Establishing and maintaining effective communication and feedback systems with suppliers;
- Developing strong performance metrics to better gauge performance;

⁹ The IT Core Commodity Council, consisting of DHS Heads of Contracting Activities, CIOs, CFOs, and senior Component representatives, is chartered to develop and implement a DHS-wide strategy to acquire information technology (IT) hardware/software and services effectively and efficiently to meet DHS mission needs. A key emerging acquisition strategy, endorsed by the Office of Procurement Operations and the DHS CIO, is to acquire IT goods and services via DHS contracts EAGLE and FirstSource.

- Overcoming current resource constraints for generating good data analysis and reporting; and
- Maintaining current, complete, and accurate contract information on enterprise-wide agreements.

FEMA needs to increase resource commitments to take advantage of strategic sourcing opportunities. Through strategic sourcing, FEMA could acquire supplies and services more efficiently and effectively.

Planning for Continuing Resolutions: Ineffective planning and guidance delayed acquisition requests during the FY 2008 continuing resolution. In FY 2008, OAM wanted to shift major acquisitions from year-end, spreading them throughout the fiscal year, and to have all planned acquisitions awarded before hurricane season. Officials expected program offices to initiate about 11,000 acquisition requests, but as of mid-February 2008, 5 months into the fiscal year, OAM had received only 2,600 (24%) of the requests

projected. OAM officials attributed the lower-than-anticipated number of requests to two factors:

Best Practice Indicator

There is awareness of current and pending legislation and its potential implication on the agency's acquisition policies, processes, and practices.

GAO Framework

- FEMA operated under a continuing resolution from October 1 through December 26, 2007, when the President signed the *Consolidated Appropriations Act of 2008 (PL 110-161)* authorizing funding for DHS, including FEMA, for FY 2008.
- Although program offices could have prepared and submitted acquisition requests, they hesitated to prepare the requests during the continuing

OCFO FY 2008 Continuing Resolution Guidance

- No contracts in anticipation of funding increases
- Renewals, but at the same scope of work as FY 07
- No new contract actions

FEMA OCFO

resolution because they were concerned that funding was not assured.

Timely guidance and direction are important to ensuring that contracts are in place to provide services and supplies in time to support disaster response activities. OAM and the Office of the Chief Financial Officer (OCFO) said that early acquisition planning was the subject of many staff meetings early in the fiscal year. However, OCFO direction focused on contracting limitations, and OAM did not issue official direction and guidance on when acquisition packages were due until March 10, 2008.

In addition, the Acting CFO said that historically FEMA has been slow to submit acquisition requests during a continuing resolution. Given FEMA's history, OCFO and OAM should have given program managers direction on ways to accelerate acquisition requests during or at the end of the continuing resolution.

System Integration: FEMA has acknowledged for some time that the IT systems supporting the acquisition function are not fully integrated with financial systems, do not produce good reports to assist management in overseeing the acquisition process, and contain unreliable data. When buying goods and services, leading organizations have implemented comprehensive systems that integrate contracting, financial, and other data to support management decision making and external reporting requirements.

FEMA realizes that the current acquisition systems do not provide all the information stakeholders need and do not include

Integrated Contracting Systems

- Track events throughout the life of a contract
- Monitor contractor performance and work progress
- Record and validate the receipt of goods and services
- Link to human capital systems

GAO Framework

tools to plan or monitor transactions. FEMA had planned to implement a new system to support the acquisition process, but the implementation was placed on hold in October 2008 pending a DHS-wide technology competition. Since then, FEMA updated its current contracting system.

Officials said that the new system would have improved the acquisition system interface with FEMA's integrated financial management information system and would have improved

management reporting processes. But the system would not interface with important logistics systems, including: the logistics information system, which tracks personal property such as computers, cell phones, and generators; and the total asset visibility system, which contains a group of systems that support logistics activities such as property and supply movements from ordering through shipping. FEMA's new system should interface with other federal, state, and local government and private sector inventory systems.

Recommendations

We recommend that the Director, Office of Acquisition Management, Federal Emergency Management Agency:

Recommendation #6: Implement a knowledge-based management system to document lessons learned and implement best practices for acquisitions. The system should be readily available and promoted as a library of best practices.

Recommendation #7: Expand the use of portfolio managers to foster strong communication between contracting officials and program offices, and continue to expand on the Office of Acquisition Management's participation in program office staff meetings to improve communications and understanding of the acquisition function.

Recommendation #8: Devote the resources necessary to implement a more robust strategic sourcing program.

Recommendation #9: Provide program offices early and clear guidance on the development of acquisition plans and requirements for submission of acquisition packages that includes how to address issues associated with processing requests during a continuing resolution.

We recommend that the Administrator, Federal Emergency Management Agency:

Recommendation #10: Begin work to integrate acquisition, logistics inventory, and financial systems as soon as possible.

Management Comments and OIG Analysis

FEMA concurred with the recommendations and said that it would provide a detailed corrective action plan in its 90-day response. We consider FEMA's planned actions responsive to the recommendations.

APPENDIX A

Purpose, Scope, and Methodology

DHS OIG contracted with Urbach, Kahn, and Werlin LLP to audit FEMA's acquisition process. The overall purpose was to determine the extent to which FEMA had adopted a system of internal controls and information systems that embrace best acquisition practices during "normal" and "emergency" situations. Specifically, the purpose was to determine:

- Has FEMA implemented best practices and improved systems in its acquisition operations?
- What are the strengths and weaknesses of FEMA's acquisition process in both normal and emergency situations?
- Are FEMA's information systems designed and operating to facilitate operations and to support the acquisition process?

We performed the audit according to the July 2007 revision of the *Government Auditing Standards*. We concentrated on the period from FY 2006 through July 2008.

For guidance on best practices for the acquisition process, we relied extensively on the GAO *Framework for Assessing the Acquisition Function at Federal Agencies*¹⁰, and DHS Management Directive 0784, *Acquisition Oversight Program*¹¹. We interviewed representatives of the U.S. Army National Guard and the U.S. Agency for International Development about how their acquisition function supports their disaster response activities. Also, we reviewed documents, such as media articles and press releases obtained through Internet searches, to gather background information on best practices used by other acquisition organizations.

To establish criteria for this review, we researched U.S. laws and regulations; DHS directives; FEMA policies and guidance; and Office of Federal Procurement Policy requirements and guidelines applicable to acquisition activities. We reviewed assessments of the FEMA acquisition process prepared by FEMA contractors, prior reports, and congressional testimony by FEMA, DHS OIG, and GAO to identify their findings and recommendations related to FEMA's acquisition process.

We performed work at FEMA headquarters in Washington, DC; at the Joint Field Office in Brentwood, TN; at regional offices in

¹⁰ GAO Framework for Assessing the Acquisition Function at Federal Agencies, September 2005.

¹¹ DHS Management Directive 0784, December 19, 2005.

APPENDIX A

Purpose, Scope, and Methodology

Atlanta, GA, and Boston, MA; and at the Transitional Recovery Offices in New Orleans and Baton Rouge, LA. We selected the offices based on disaster acquisition activity or reputation. We held discussions with FEMA officials throughout the audit and discussed initial audit results with FEMA officials on November 5, 2008.

APPENDIX B

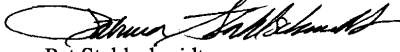
Management Comments to the Draft Report

U.S. Department of Homeland Security
Washington, DC 20472



FEMA

MEMORANDUM FOR: Matt Jadacki
Deputy Inspector General
Office of Emergency Management Oversight

FROM: 
Pat Stahlschmidt
Acting Director
Office of Policy & Program Analysis

SUBJECT: Comments on OIG Draft Report, *FEMA's Implementation of Best Practices in the Acquisition Process*

Thank you for the opportunity to review and comment on the Office of Inspector General's (OIG's) subject draft audit report. As FEMA works toward refining its programs, the OIG's independent analysis of program performance greatly benefits our ability to continuously improve our activities.

FEMA concurs with the draft report's ten recommendations. Regarding the recommendation that FEMA should accelerate development and implementation of the acquisition oversight program, we note that an acquisition oversight program policy directive is in draft and a business case is being developed to add a Contracting Administration and Quality Control Branch to the Management Directorate's Acquisition Management Division (AMD). Pending final review and approval of the policy directive, AMD has developed audit guidelines and checklists to be used in auditing the following acquisition activities in Fiscal Year (FY) 2009:

- Selected FY 2009 interagency agreements
- Random quarterly sampling of 20-30 FY 2009 Headquarters and Regional contracts to determine completeness of official contract files
- Compliance with changes to the Federal Acquisition Regulations (FAR) to include e-Verify and contractor standards-of-conduct program provisions in solicitations and contracts meeting certain dollar thresholds
- Effective access to e-procurement systems
- Effective customer service from the Automated Acquisition Management System *ProTrac* Help Desk.

An audit determining compliance with changes to the FAR with respect to the inclusion of contractor standards-of-conduct program provisions and clauses in solicitations and contracts has already begun. In addition, FEMA's Management Directorate is currently undergoing an audit of internal controls associated with AMD's management of the Purchase Card Program and the Federal Procurement Data System-Next

www.fema.gov

APPENDIX B
Management Comments to the Draft Report

2

Generation database. In our 90-day letter following the issuance of your final report, we will provide a detailed corrective action plan with timeframes for completion of each of the report's ten recommendations.

Thank you again for the opportunity to comment on this draft report and we look forward to working with you on other issues as we both strive to make FEMA the nation's Preeminent Emergency Management and Preparedness Agency.

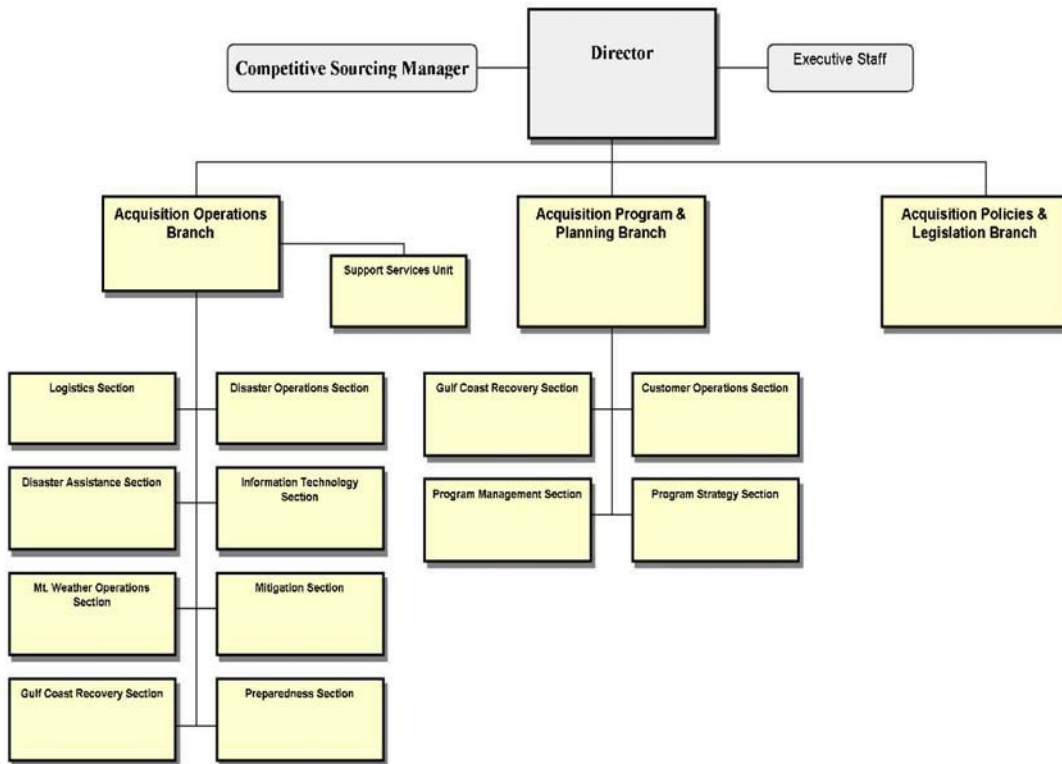
APPENDIX C

FEMA Acquisition Management Division Organization Chart



FEMA

US Department of Homeland Security/FEMA
Management Directorate
Acquisition Management Division



Source: FEMA

APPENDIX D

June 2008 OAM Scorecard

Outcome	Measure	2009 Target	Initiative	Initiative Status	Initiative Lead	Initiative Due Date
Customer Perspective						
Trusted, Committed, High-Value Partners	% of customers satisfied or completely satisfied with the office's overall performance	100%	<ul style="list-style-type: none"> Conduct customer satisfaction survey 	New	Chief, APP	9/15 release of survey ¹²
World-Class Service Provider			<ul style="list-style-type: none"> Establish service-level agreements with customers 	New	Chief, APP	10/31/08
Financial Accountability Perspective						
Good Stewards of Funds	Cost to Spend Ratio	1.9	<ul style="list-style-type: none"> Compare annual cost to spend to standard and develop improvement strategies as needed 	Complete/Ongoing (quarterly)	Chief, APL	October 31 each year (month after Fiscal Year closes) The average ratio for FY 2007 was 1.48.
Optimized Funds Management	% of contracts closed after POP ends within specified timeframe based on contract type	85%	<ul style="list-style-type: none"> Develop and execute standard closeout strategy Develop and implement contract closeout improvements including goals 	New	Chief, APL	06/30/08
	Prompt payment percentage Goal (Based on OMB's Government-wide Goal)	98%	<ul style="list-style-type: none"> Identify and implement strategies for reducing interest penalties Implement consistent invoice processing procedures with Finance 	New	Chief, APL	12/30/2008
Best Value	% of contracts awarded within plus 10% or minus 20% of IGCE	80%	<ul style="list-style-type: none"> Educate program offices on developing realistic IGCEs 	Complete/ongoing	Bus Spec, APP	01/31/08
			<ul style="list-style-type: none"> Complete the business case for implementation of a reverse auction tool and implement follow-up strategy 	Complete	Chief, AO	09/19/07
			<ul style="list-style-type: none"> Expand use of reverse auctioning for simple commodities across FEMA 	Complete	Chief, AO	10/31/07

¹² After this initial survey in September 2007, OAM will attempt to solicit feedback from each customer once per year.

APPENDIX D

June 2008 OAM Scorecard

Outcome	Measure	2009 Target	Initiative	Initiative Status	Initiative Lead	Initiative Due Date
Policies & Processes Perspective						
Responsive and Efficient Operations	% of contract actions receiving first-time CRB approval	90%	<ul style="list-style-type: none"> Develop and implement CRB review process 	Complete/Ongoing	Chief, APL	06/09/08
			<ul style="list-style-type: none"> Establish best practices for CRB process 	Complete	Chief, APL	06/09/08
Proactive Planning	% decrease in number of J&As for urgent & compelling	20%	<ul style="list-style-type: none"> Educate customers on acquisition process Issue advance notification of expiring contracts 	Ongoing New	Chief, APL Chief, AO	05/30/08 2/28/09
	% of planned requirements awarded before hurricane season	100%	<ul style="list-style-type: none"> Develop acquisition strategies aligned to budget Create an acquisition lifecycle tracker database for hurricane requirements 	Complete/Ongoing Complete/Ongoing	Chief, APL Chief, APP Program Analyst, APP	03/31/08 01/31/08
Collaborative Relationships	# of partnering sessions conducted each quarter by OAM with partners	Fed Partners: 3 Industry Liaison: 2 Customer Ops: 12	<ul style="list-style-type: none"> Develop partnering CONOPS plan and validate with partners 	Complete	Chief, APL	03/15/08
Operational Excellence	% of actions that reflect good business decision making during a disaster response	80%	<ul style="list-style-type: none"> Incorporate change to the ICS that brings acquisition to the forefront 	Complete/Ongoing	Chief, AO	8/1/08
			<ul style="list-style-type: none"> Conduct acquisition oversight program 	Ongoing	Chief, APL	12/30/08
	% of actions that meet socioeconomic goals	100% of individual goals	<ul style="list-style-type: none"> Establish and track socioeconomic goals Train customers on the use of FIDO 	Complete/ongoing Complete for FY 2008	Procurement Analyst Procurement Analyst	01/31/08 05/30/08
	% of PBSA contracts with implemented QASPS	95%	<ul style="list-style-type: none"> Provide training on PBSA Compile data from FPDS-NG and PRISM 	Complete New	Chief, APL Chief, AO	3/31/08 2/28/09

APPENDIX D

June 2008 OAM Scorecard

Outcome	Measure	2009 Target	Initiative	Initiative Status	Initiative Lead	Initiative Due Date
Human Capital Perspective						
Employer of Choice for the Acquisition Professional	Voluntary turnover rate	15% or less	<ul style="list-style-type: none"> Implement internal OAM rotation program 	New	Chief, AO	9/30/08
			<ul style="list-style-type: none"> Regularly assess root causes of turnover 	New	Chief, AO	08/30/08 (1st time)
	% of employees rating overall job satisfaction as good or better	100%	<ul style="list-style-type: none"> Communicate opportunities for rewards and incentives 	Complete	Program Analyst	02/15/08
			<ul style="list-style-type: none"> Develop and implement new employee orientation system 	Complete/Ongoing	Chief, APL / Acq Bus Spec	01/15/08
			<ul style="list-style-type: none"> Solicit and act on employee feedback to improve the workplace (e.g., employee satisfaction survey) 	Ongoing	Chief, APL / Competitive Sourcing Mgr/ Admin Spec	8/30/08
	Dedicated, Agile, and Knowledgeable Workforce	% of workforce that meets or exceeds certification and required training for their position	100%	<ul style="list-style-type: none"> Clarify staff certification requirements by position 	New	Chief, APL
<ul style="list-style-type: none"> Assess workforce certification gaps and implement fulfillment strategy 				New	Chief, APL / Bus Spec, APP	07/30/08
<ul style="list-style-type: none"> Align certification requirements with recruitment and promotion activities 				New	Chief, APL / Bus Spec, APP	07/30/08
<ul style="list-style-type: none"> Conduct training workshops 				Ongoing	Chief, APL	8/30/07 – ongoing

APPENDIX D

June 2008 OAM Scorecard

Outcome	Measure	2009 Target	Initiative	Initiative Status	Initiative Lead	Initiative Due Date
Human Capital Perspective						
Dynamic and Sustainable Organization	% of employees who are cross-functionally trained each year	5%	<ul style="list-style-type: none"> Develop and implement cross-training program 	New	Chief, APL	12/30/08
	% of DHS Interns arriving at FEMA who are assigned to Sections & have trained mentors and supervisors	100%	<ul style="list-style-type: none"> Develop and implement FEMA program of participation in DHS Acquisition intern program (including training of mentors & supervisors) 	New/ongoing	Section Chief, AO	7/15/08 for first group of interns
	% of employees who meet their annual IDP goals	100%	<ul style="list-style-type: none"> Incorporate IDP requirements into performance plans 	New	Chief, AO	08/30/08
Compelling Culture	# of FEMA/OAM developed and sponsored community activities	1 per year	<ul style="list-style-type: none"> Develop plan for community activities 	Ongoing	Competitive Sourcing Mgr	06/30/08
	% of outstanding employee contributions that are recognized/awarded	100%	<ul style="list-style-type: none"> Develop and implement informal employee recognition program 	Complete	Program Analyst	4/30/08
Knowledge & Information Management Perspective						
Effective End-to-End Knowledge & Information Management Enterprise	% of contracts accessible through contract writing system	100%	<ul style="list-style-type: none"> Implement PRISM 	New	Chief, AO	2/28/09
	% of contract files centrally managed	80%	<ul style="list-style-type: none"> Design, develop and implement contract file management system in electronic and paper format 	Ongoing	Contract Specialist, AO	8/29/08

APPENDIX D

June 2008 OAM Scorecard

Outcome	Measure	2009 Target	Initiative	Initiative Status	Initiative Lead	Initiative Due Date
Knowledge & Information Management Perspective						
Model Leaders Promoting Leadership at All Levels	% of employees who clearly understand the OAM mission and objectives	100%	• Conduct quarterly all-hands meetings	Ongoing	Director, OAM	10/24/07 ¹³
			• Conduct weekly staff meetings	Ongoing	Branch Chiefs/ Section Chiefs	Weekly
			• Have employees attend FEMA senior leadership meetings	New	Executive Officer	As deemed appropriate
	% of staff who want mentoring and are being mentored by leaders in our organization	100%	• Develop internal OAM mentoring program	Complete	Contract Specialist, AO	4/30/08

Abbreviations:

AO	Acquisition Operations Branch
APL	Acquisition Policy & Legislation Branch
APP	Acquisition Program & Planning Branch
Acq Bus Spec	Acquisition Business Specialist
CRB	Contract Review Board
FIDO	Federal Interagency Database Online
FPDS-NG	Federal Procurement Data System-Next Generation
OMB	Office of Management and Budget
IDP	Individual Development Plan
IGCE	Independent Government Cost Estimate
J&As	Justification and Approvals
Mgr/Admin Spec	Manager/Administrative Specialist
PBSA	Performance Based Service Agreement
POP	Period of Performance
QASPS	Quality Assurance Surveillance Plans

¹³ Future all-hands meetings will be held the last month of each quarter.

APPENDIX E
Report Distribution

Department of Homeland Security

Secretary
Deputy Secretary
Chief of Staff
Deputy Chief of Staff
General Counsel
Executive Secretary
Director, GAO/OIG Liaison Office
Assistant Secretary for Office of Policy
Assistant Secretary for Office of Public Affairs
Assistant Secretary for Office of Legislative Affairs
Acting Administrator, Federal Emergency Management Agency
FEMA Audit Liaison (Job Code DC7A02)

Office of Management and Budget

Chief, Homeland Security Branch
DHS OIG Budget Examiner

Congress

Congressional Oversight and Appropriations Committees, as appropriate



ADDITIONAL INFORMATION AND COPIES

To obtain additional copies of this report, please call the Office of Inspector General (OIG) at (202) 254-4199, fax your request to (202) 254-4305, or visit the OIG web site at www.dhs.gov/oig.

OIG HOTLINE

To report alleged fraud, waste, abuse or mismanagement, or any other kind of criminal or noncriminal misconduct relative to department programs or operations:

- Call our Hotline at 1-800-323-8603;
- Fax the complaint directly to us at (202) 254-4292;
- Email us at DHSOIGHOTLINE@dhs.gov; or
- Write to us at:
DHS Office of Inspector General/MAIL STOP 2600,
Attention: Office of Investigations - Hotline,
245 Murray Drive, SW, Building 410,
Washington, DC 20528.

The OIG seeks to protect the identity of each writer and caller.