



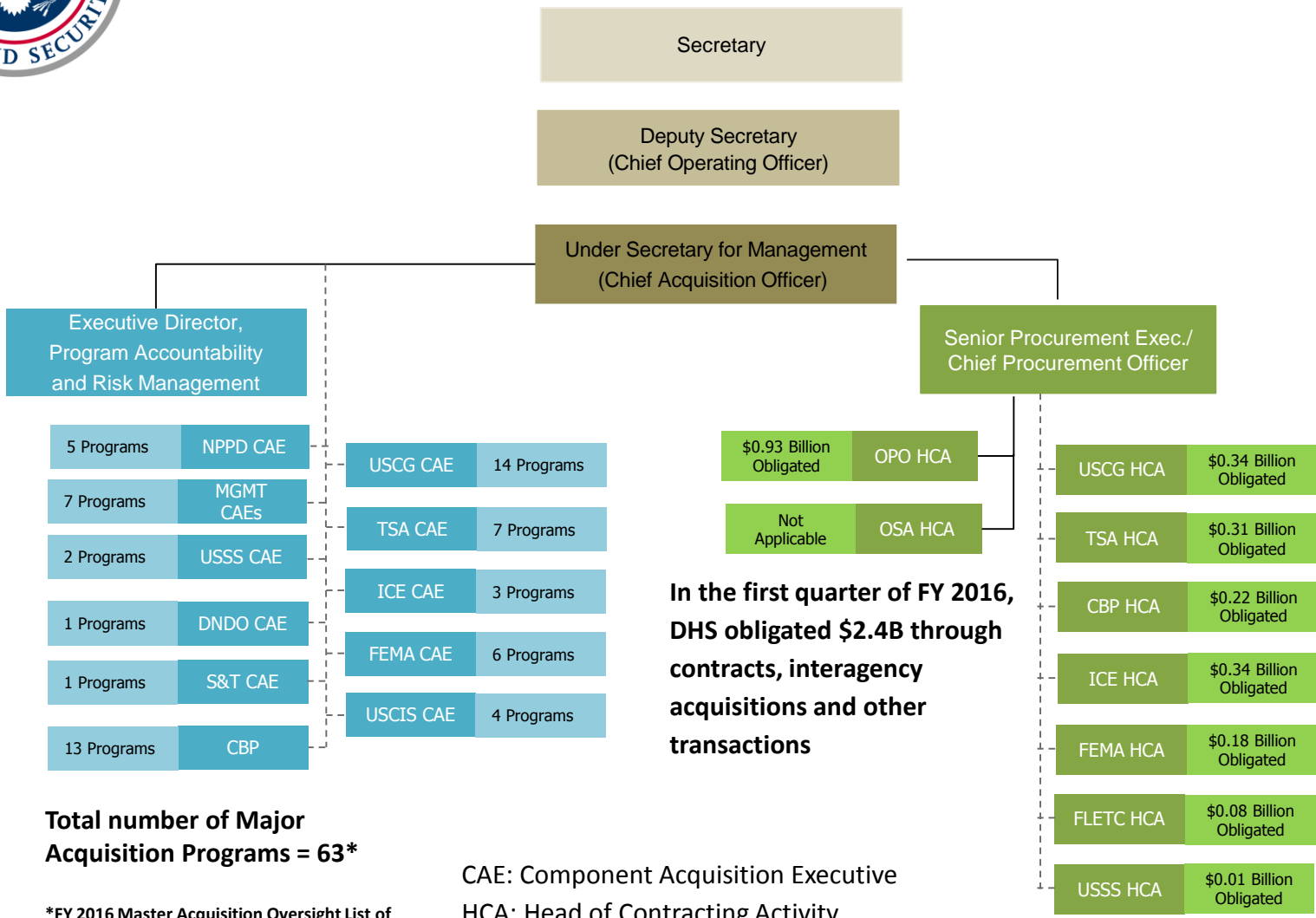
A Conversation with the DHS Chief Information Officer & Chief Procurement Officer

**Luke McCormack, Chief Information Officer
Soraya Correa, Chief Procurement Officer**

March 17, 2016



Procurement and Acquisition Structure



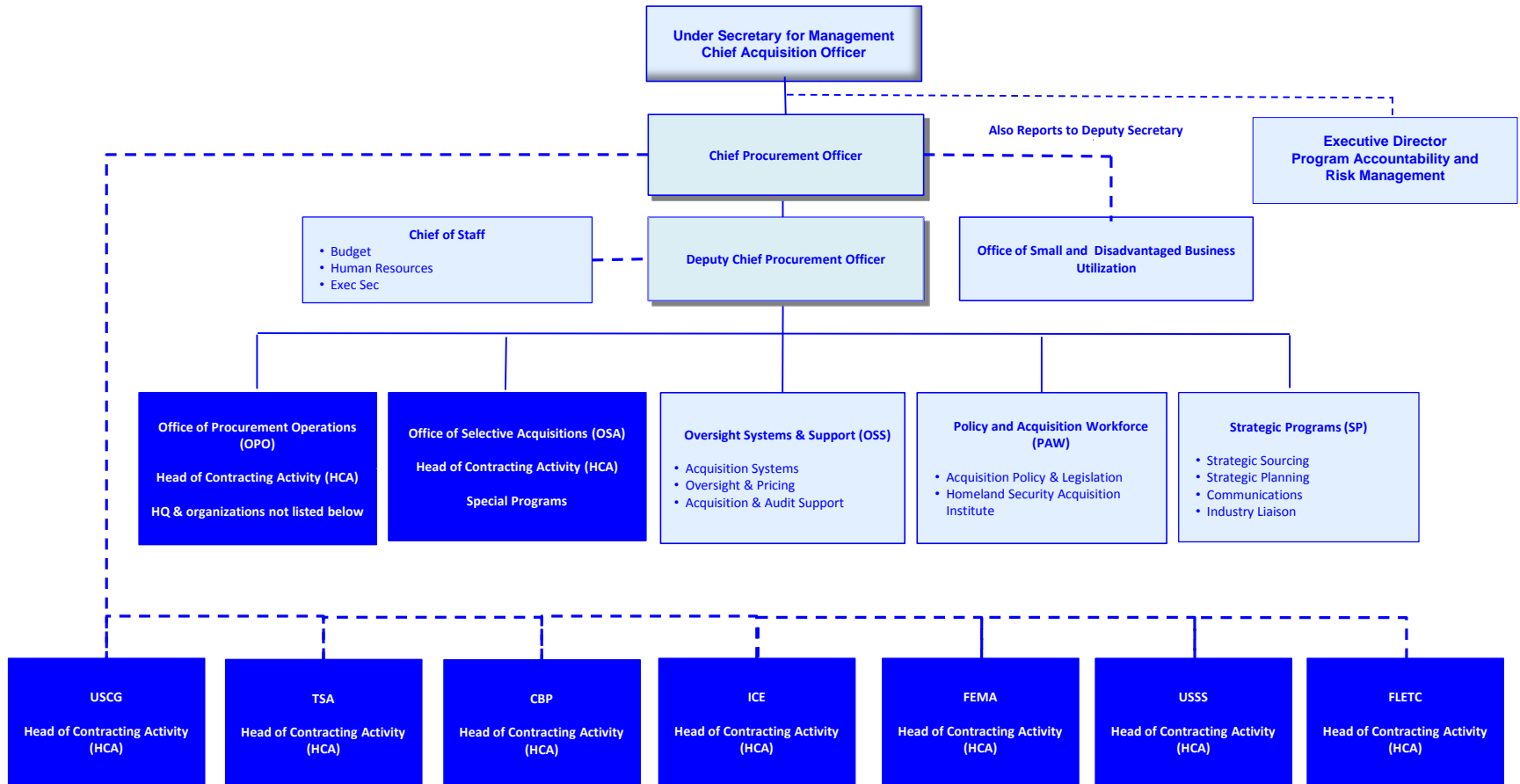
In the first quarter of FY 2016, DHS obligated \$2.4B through contracts, interagency acquisitions and other transactions

Total number of Major Acquisition Programs = 63*

*FY 2016 Master Acquisition Oversight List of Level 1 and Level 2 Programs (including post-FOC)

CAE: Component Acquisition Executive
HCA: Head of Contracting Activity

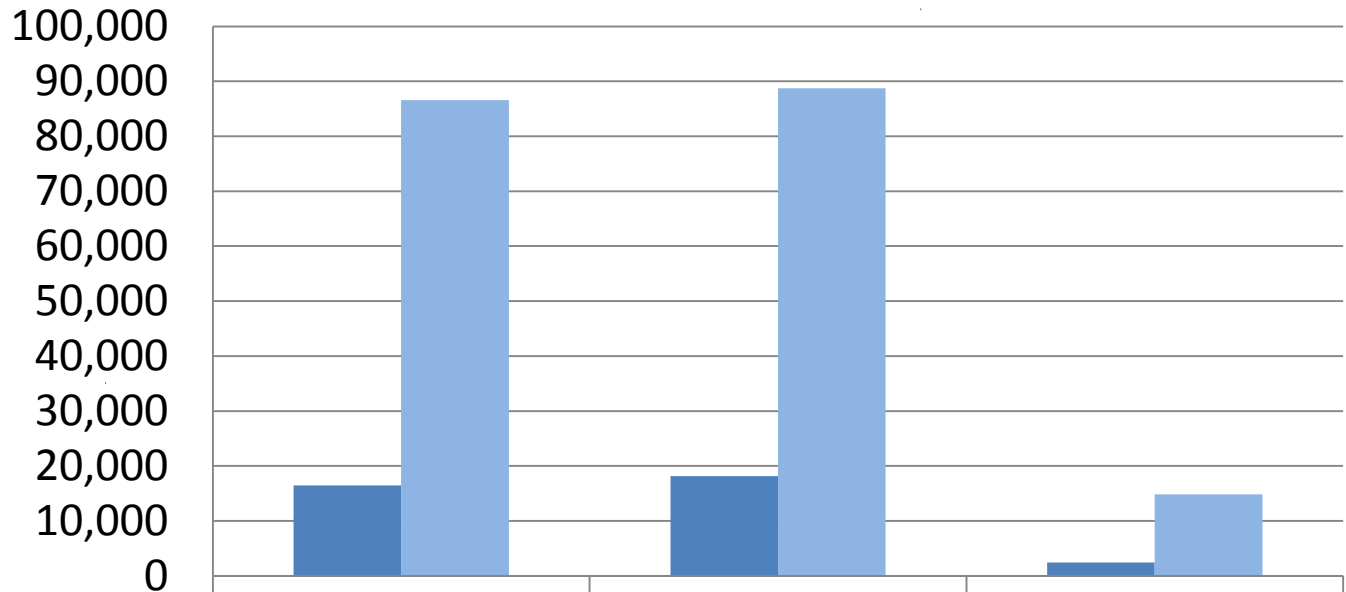
DHS Procurement Structure



Key:

Contracting Activity

Annual Obligations and Number of Actions

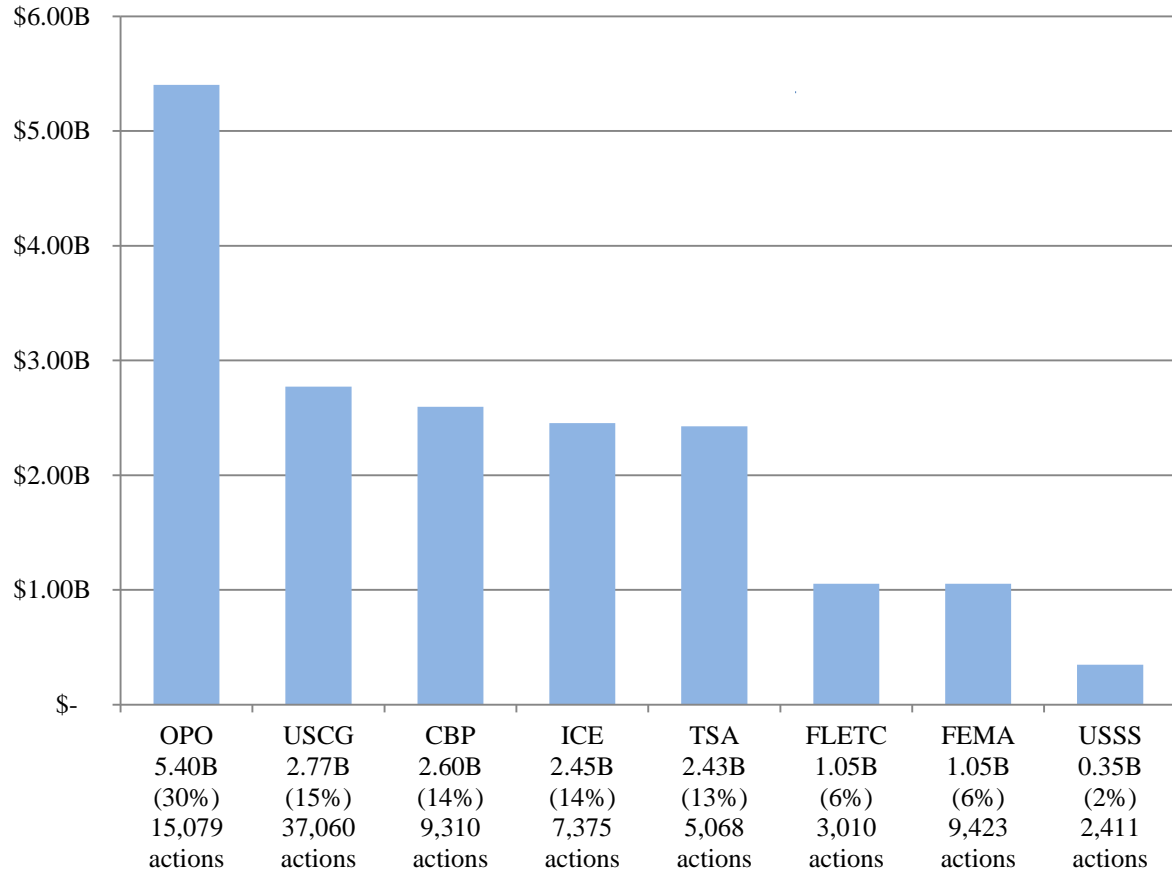


	FY 2014	FY 2015	FY 2016 Q1
■ Obligations in Millions	\$16,489	\$18,132	\$2,400
■ Transactions	86,593	88,763	14,827

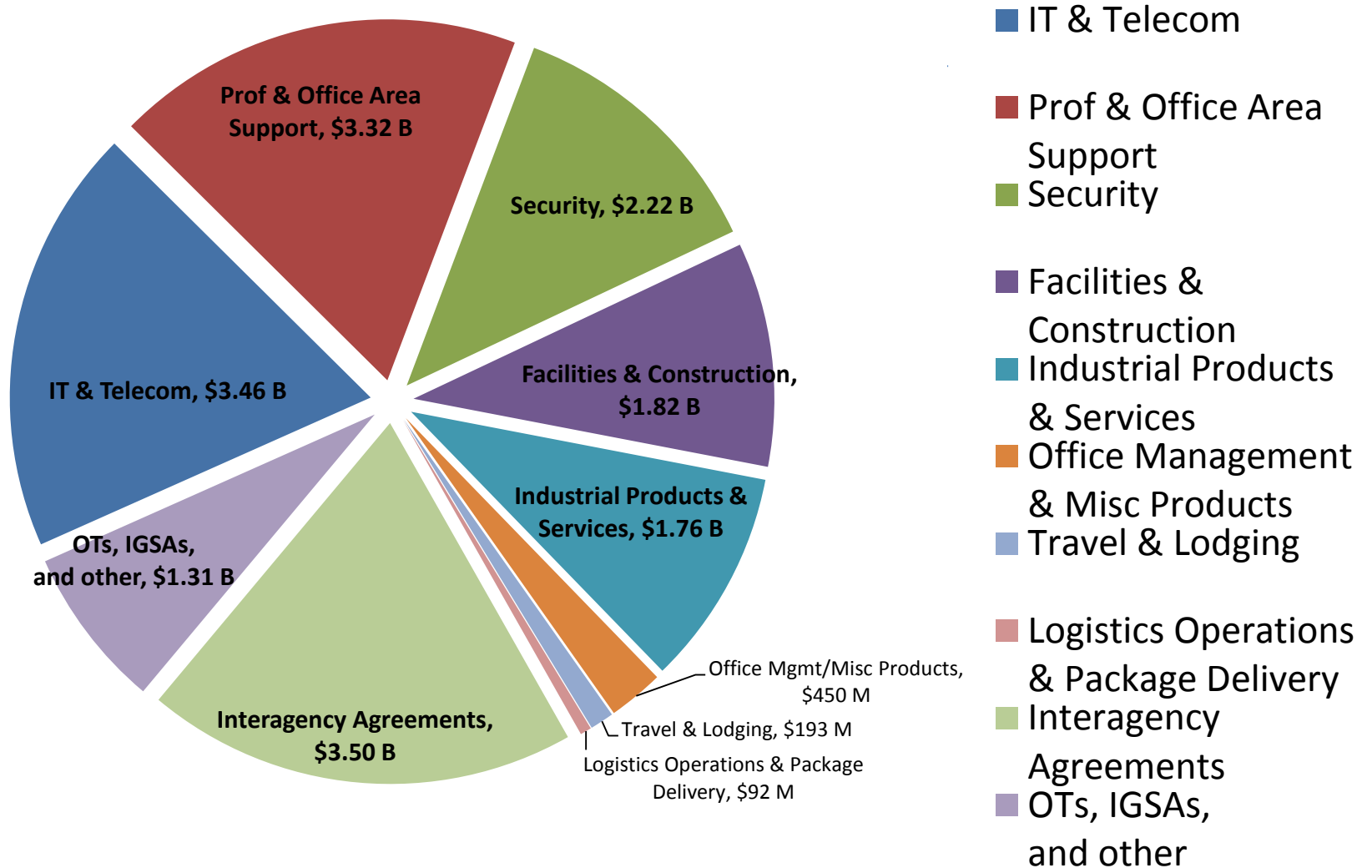
FY 2015 Contract Spend

FY 2015 Contracting Spend Highlights

- DHS spent \$18.1B via 88,763 buying transactions.
- \$18.1B equals 47.3% of the \$38.2B FY15 DHS adjusted net discretionary budget.
- Spend includes:
 - Contracts
 - Interagency Agreements
 - Other Transactions
- Top Services/Commodities Acquired Include:
 - IT & Telecommunications
 - Professional and Office Area Support Services
 - Security
 - Facilities and Construction



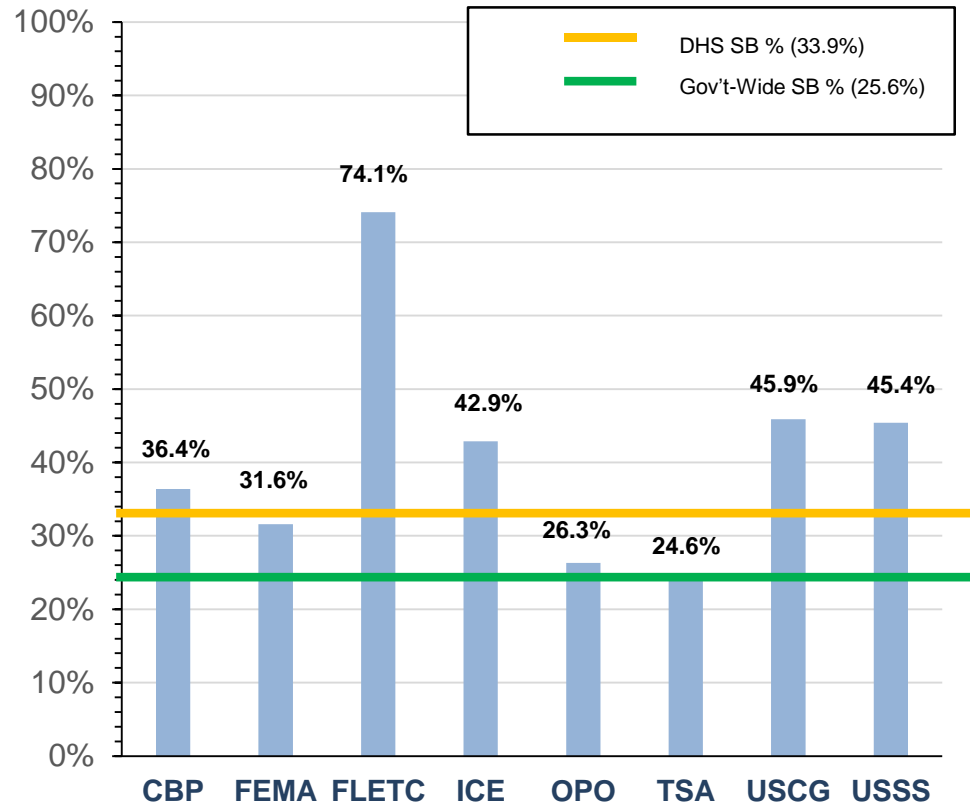
FY 2015 Procurement Spend by Commodity Family



FY 2015 Small Business Achievements

Small Business Highlights

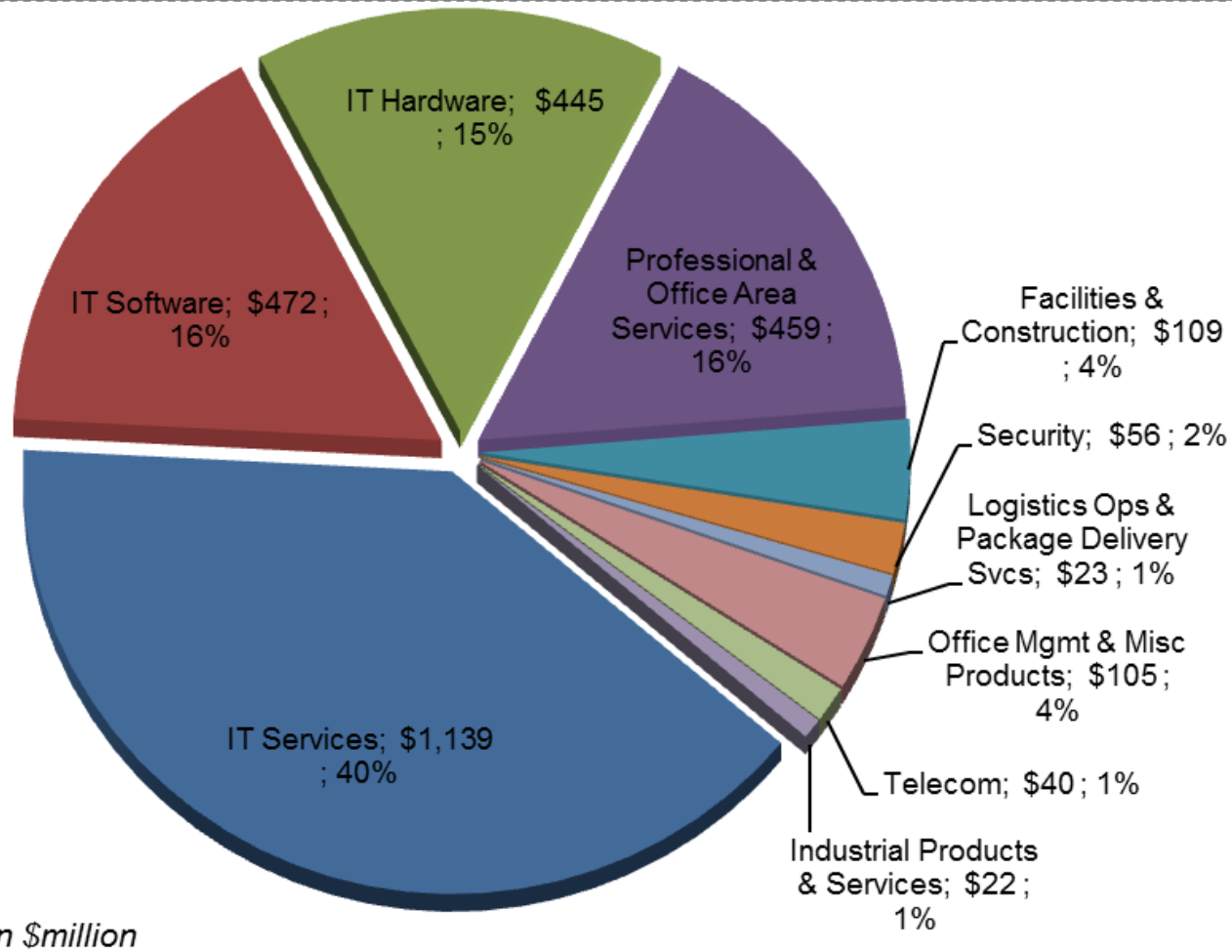
DHS has awarded \$4.7B in prime contracts to small businesses. Of the agencies that SBA calls the “Big 7” (DoD, DOE, HHS, NASA, VA, DHS, and GSA), DHS is the only agency to receive a grade of “A” six years in a row on the Annual SBA Procurement Scorecard.



Note: For FY2015 (to be reported by SBA in May or June of 2016), DHS will receive another “A” rating for the 7th year in a row. In FY2014, DHS received an A+.

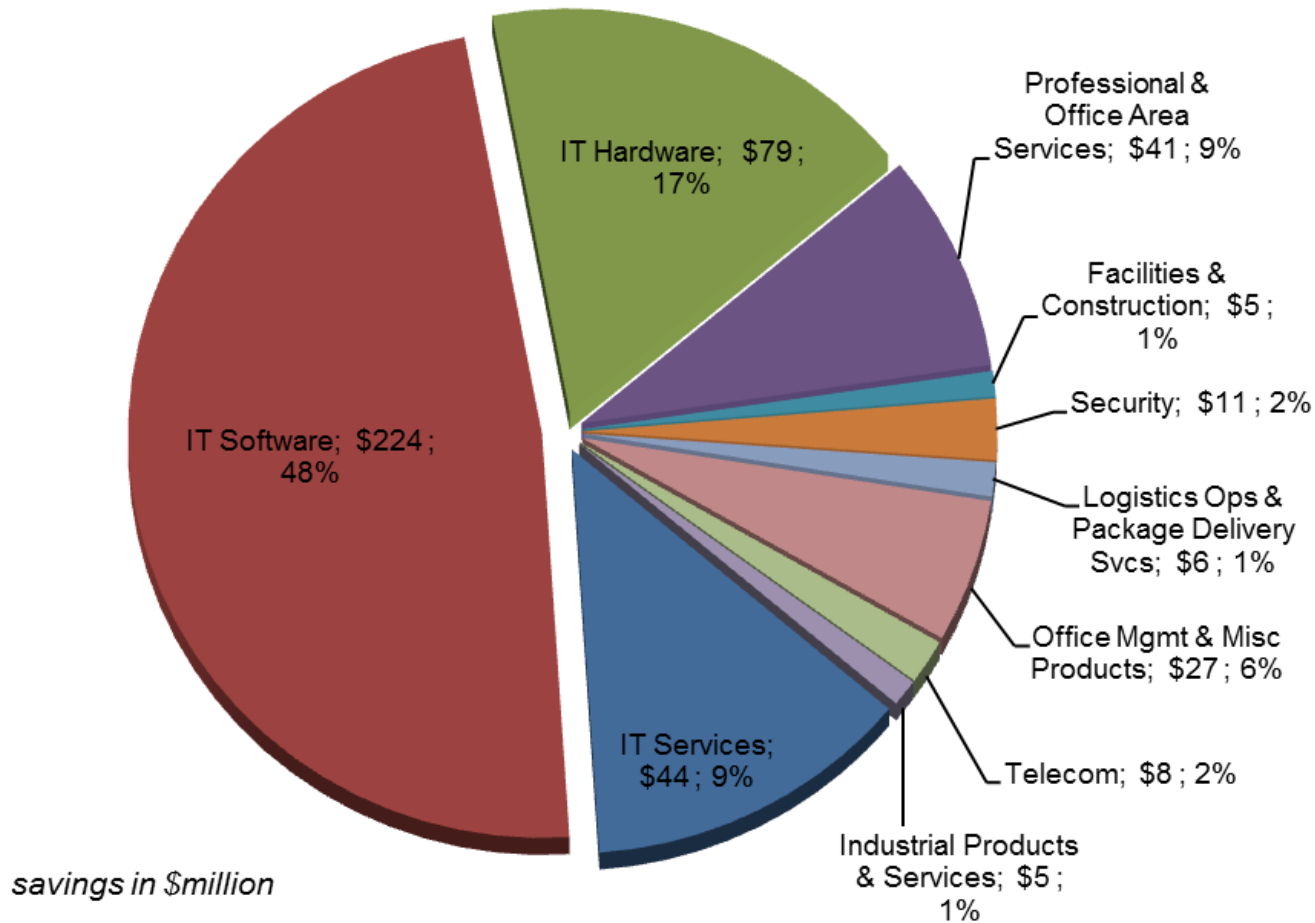
FY 2015 Strategic Sourcing Vehicle Spend

Approximately \$2.9 billion was spent through DHS's strategic sourcing vehicles in FY15



FY 2015 Strategic Sourcing Savings

In FY15, DHS saved \$466 million through use of strategic sourcing vehicles

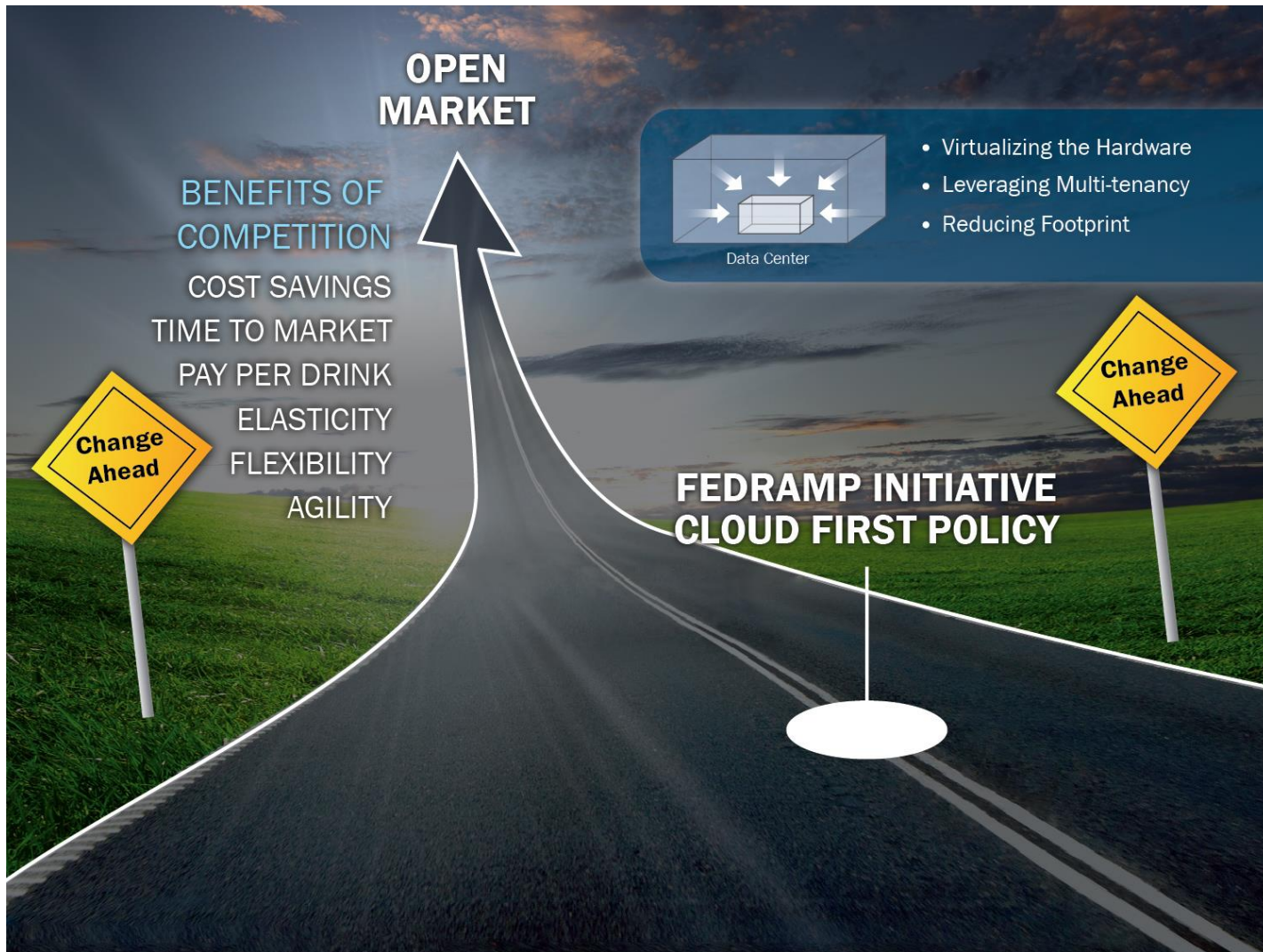


**** DHS's strategic sourcing savings methodologies were independently validated in March 2011.**

- *Inspire and Motivate People*
- *Deliver Exceptional Results*
- *Enhance Mission Capabilities*
- *Promote Meaningful Communications*

Our Vision: Innovative & flexible business advisors delivering mission-driven solutions for customers.

Changing IT Environment

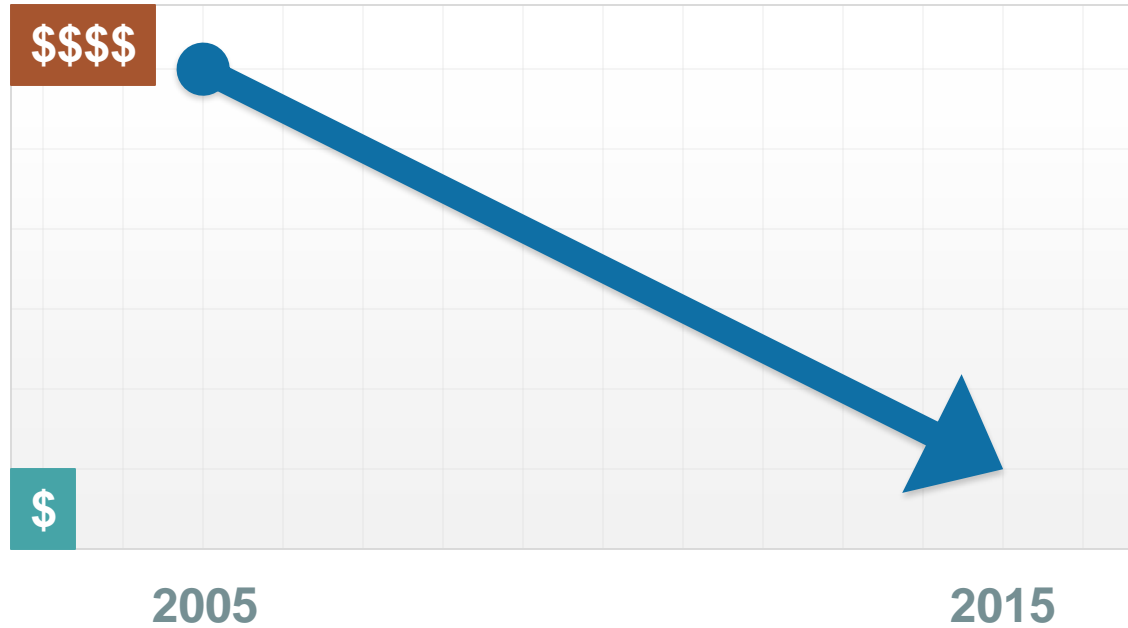


Changing IT Environment

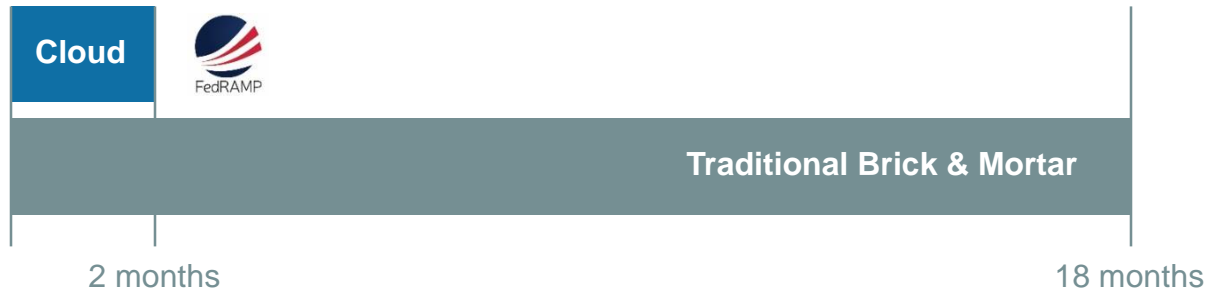
THEN	NOW
Proprietary software <input type="radio"/>	<input checked="" type="radio"/> Default to open source
Own & operate infrastructure <input type="radio"/>	<input checked="" type="radio"/> Hosted in the Cloud
Long release cycles <input type="radio"/>	<input checked="" type="radio"/> Frequent releases
Static Requirements <input type="radio"/>	<input checked="" type="radio"/> Requirements evolve
Large development teams <input type="radio"/>	<input checked="" type="radio"/> Small, agile development teams
Security bolted on afterwards <input type="radio"/>	<input checked="" type="radio"/> Security built into development
Heavyweight governance processes <input type="radio"/>	<input checked="" type="radio"/> Right-sized oversight

Open Market Comparison

Decreasing
Costs



Time to
Market



A Model Agency



Innovative Technology & Approach

User Focus



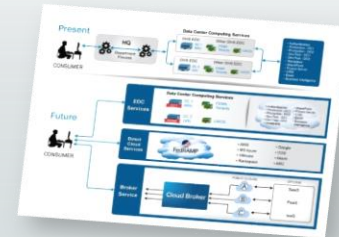
Lean, Flexible Delivery



Advanced Research



Open Market Strategy



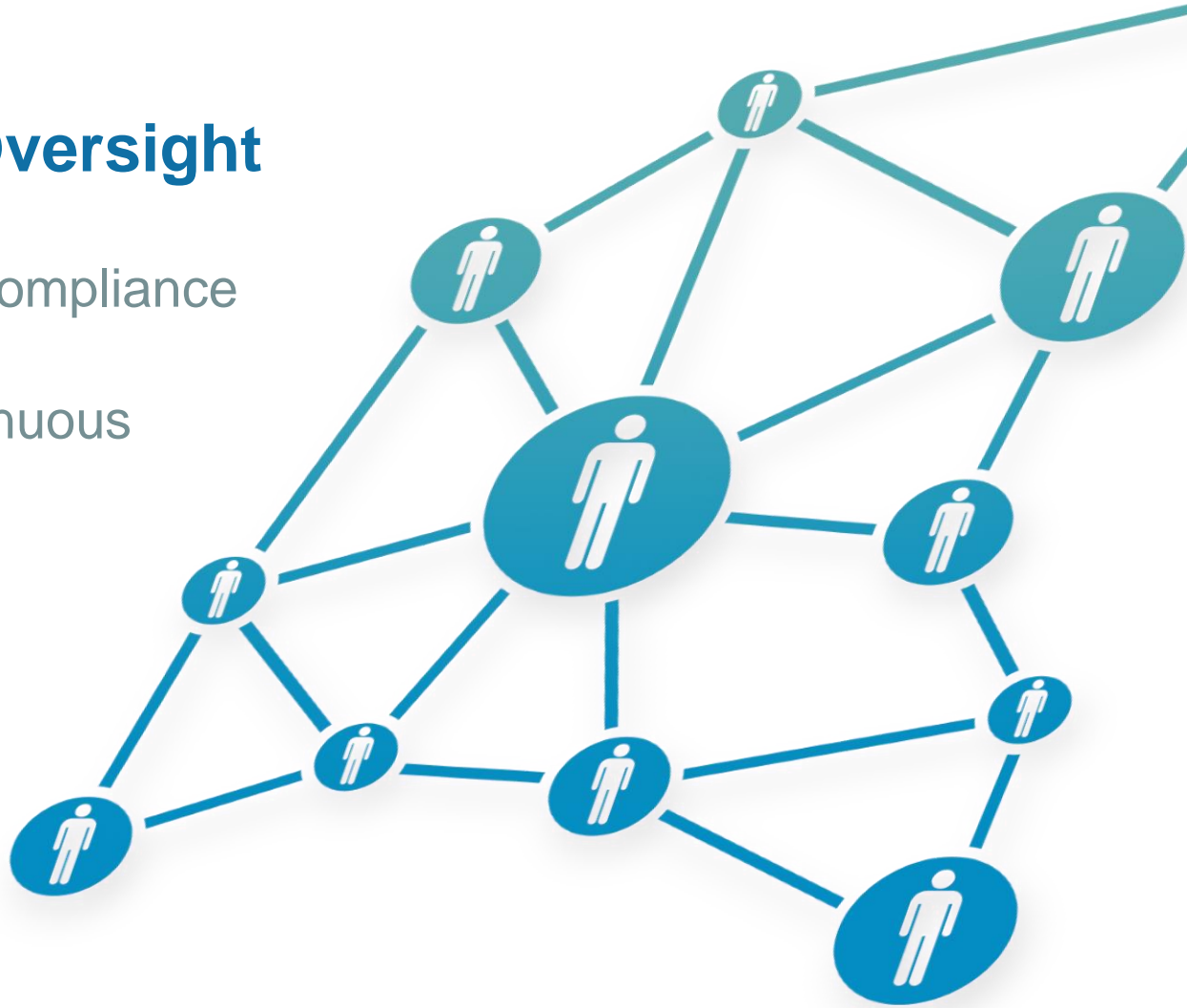
Service Delivery



Governance & Accountability

Lean, Flexible Oversight

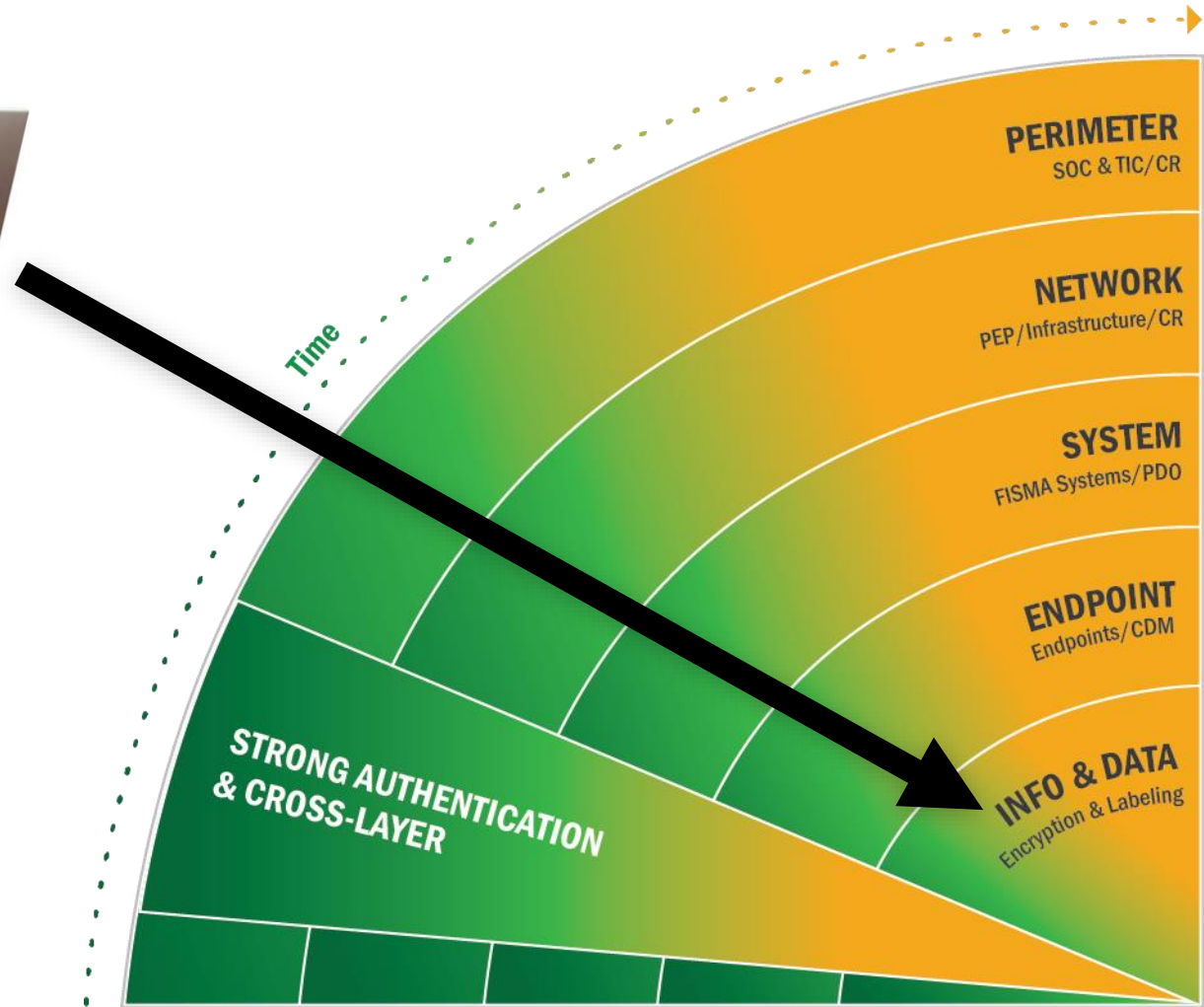
- Consultative vs. Compliance
- Iterative and continuous feedback



Cybersecurity: Defense-In-Depth (DID)



- Steal the data
- Change the data
- Prevent access to the data



Cyber Maturity Model

Current
Overall
Maturity
Estimate

LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 4	LEVEL 5
Unprotected Cyber Assets	Managed Cyber Response	Active Cyber Defense	Hardened Cyber Defense	Full Life-Cycle Cyber Preparedness
Ad Hoc cyber defense	Basic security capabilities	Risk managed deployment of security technologies	Hardened cyber defenses	Proactive interdiction before data losses occur



Digital Service Plays

1	Understand what people need	8	Choose a modern technology stack
2	Address the whole experience, from start to finish	9	Deploy in a flexible hosting environment
3	Make it simple and intuitive	10	Automate testing and deployments
4	Build the service using agile and iterative practices	11	Manage security and privacy through reusable processes
5	Structure budgets and contracts to support delivery	12	Use data to drive decisions
6	Assign one leader and hold that person accountable	13	Default to open source
7	Bring in experienced teams		

Questions?