



**STATEMENT OF  
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**BEFORE THE  
SUBCOMMITTEE ON CONTRACTING OVERSIGHT  
COMMITTEE ON HOMELAND SECURITY AND  
GOVERNMENTAL AFFAIRS**

**UNITED STATES SENATE  
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Chairwoman McCaskill, Ranking Member Brown, and members of the Subcommittee, thank you for this opportunity to appear before you to discuss the Department of Homeland Security's (DHS) contracting program and, in particular, its use of interagency contracts. As the Acting Chief Procurement Officer for DHS, I am the lead executive responsible for the management, administration and oversight of DHS's acquisition program. In that capacity, I oversee and support nine procurement offices within DHS.

### **DHS Contracting Overview**

The mission of my office, in conjunction with the component contracting offices, is to provide the needed products and services to meet the DHS mission, and to do so in a way that represents sound business and demonstrates that we are good stewards of taxpayers' dollars. To trim costs, streamline operations and better manage resources across the Department, Secretary Napolitano launched a Department-wide efficiency review. This effort includes more than two dozen initiatives to increase efficiency and save millions of dollars. Consistent with the Secretary's Efficiency Review initiatives, DHS looks at all acquisition strategies to ensure that our contracting efforts are as effective and efficient as possible.

The threats we face are variable, and as a result, the acquisition program must be flexible and provide alternatives to deliver effective solutions. Similarly, the contracting officers and program offices must assess each requirement and determine the optimal acquisition and procurement strategy to meet the given need. This strategy includes the examination of existing contracting vehicles both internal and external to DHS, as well as the award of new contracts. Whether awarding a DHS contract, or leveraging an existing external vehicle such as a Government-Wide Acquisition Contract (GWAC), socio economic set-asides are always given full consideration.

The Homeland Security Acquisition Regulation and the Homeland Security Acquisition Manual provide the foundation for procurement policy at DHS. These documents reflect current statutory, regulatory, Office of Federal Procurement Policy, and internal DHS mandates. One of the key oversight requirements is for the Chief Procurement Officer to approve the establishment of an enterprise-wide contract.

### **Quality Contracting**

As the Acting Chief Procurement Officer for DHS, one of my priorities is "Quality Contracting", which is focused on making sound business decisions that enable us to accomplish our critical mission. This includes the pre-award activities that lead to a contract award and effective post-award contract administration, including the monitoring of contractor performance against the requirements of the contract. Determining the procurement strategy is an important part of the pre-award process, and is critical to the execution of the program and delivery of the needed capability in a timely and cost-effective manner. The contracting officer utilizes a toolbox of contracting vehicles before selecting a path forward. In accordance with the Federal Acquisition Regulation,

the contracting officer first considers required sources for particular supplies and services. The contracting officer also considers existing available contracts, including the General Services Administration's GWACs, Multiple Award and Federal Supply Schedules. Additionally, if the particular need is covered by a Federal Strategic Sourcing Initiative, the contracting officer will leverage this vehicle to achieve demonstrated savings as well as to limit the resources necessary to execute a new procurement.

While these different contracting alternatives are utilized regularly, given the unique scope of the DHS mission, there is often a need to conduct a new procurement. In situations where there are like needs across DHS, an enterprise-wide contract may be determined to be the best strategy. An enterprise-wide contract can provide a combination of benefits, including (1) support of specific mission needs, (2) support of a strategic sourcing initiative, (3) a vehicle to be used by the various contracting activities in lieu of conducting multiple new procurements, and (4) achieving socio-economic objectives, such as small and small disadvantaged business goals.

As noted in the GAO report on Contracting Strategies, DHS regularly leverages its EAGLE and First Source contracts – enterprise-wide vehicles for Information Technology (IT) services and products, respectively. Shortly after DHS was formed, the Chief Information Officer recognized a need to establish an enterprise architecture for DHS and to develop a strategy for an IT infrastructure that both integrated systems and eliminated inefficiencies. Given the pre-existing IT environments, we recognized that this would be a challenging undertaking and would not be completed in a short timeframe. As a result, we determined that a cadre of contractors that were familiar with the DHS IT infrastructure would be best positioned to deliver the needed capability in the most cost-effective and timely manner possible. While the products and services available under these contracts are similar to those found under GSA programs, this rationale justified the award and use of these contracts.

Another example when an enterprise-wide contract is the best strategy is our Professional, Administrative, Clerical, and Technical Services program. This Service-Disabled, Veteran-Owned small business (SDVOB) set-aside was established to increase opportunities for SDVOBs and better position DHS to meet the federal government-wide goal of 3 percent SDVOB utilization. Since the award of these contracts, DHS has increased its awards to SDVOBs and we are currently on target to meet federal goal this fiscal year.

While enterprise-wide contracts have been integral to our contracting program, contracting officers and program managers have effectively utilized GSA contracts where appropriate. Over the past three and half fiscal years (FY07 – present), DHS has awarded approximately \$9.6 billion on its EAGLE and First Source contracts for IT products and services, but also awarded \$7 billion on GSA contracts, including nearly \$1.4 billion on IT efforts. Having the flexibility afforded by alternative contracting vehicles has proven both effective and beneficial to the contracting and program offices in their efforts to deliver mission capability.

## **Conclusion**

DHS is committed to awarding quality contracts that deliver mission capability and represent sound business judgment, including compliance with federal procurement regulations, policies, and guidance.

Thank you for your continued support of the DHS Acquisition Program and for the opportunity to testify today. I look forward to your questions.