

Opening Statement of Ranking Member Bonnie Watson Coleman (D-NJ)

Subcommittee on Oversight and Management Efficiency

Hearing on “Acquisition Oversight: How Effectively Is DHS Safeguarding Taxpayer Dollars?”

April 22, 2015

This is a very important discussion to improve the efficiency of some of the Department of Homeland Security’s most essential operations.

In adopting the Acquisition Management Directive, and by creating the Office of Program Accountability and Risk Management, the Department of Homeland Security has taken constructive steps toward utilizing the information derived from acquisition programs’ own work to assess the programs’ readiness to move through successive stages of investment and capability development.

At the same time, both of the recent GAO studies we’ll discuss today have identified deficiencies in the compilation, approval, and currency of acquisition program baselines at DHS, a concern which dates back to the first edition of GAO’s DHS Quick Look, published in June 2010.

GAO’s analysis related to last month’s report on DHS Acquisition Oversight found that in the DHS Master Acquisition Oversight List from this fiscal year, 25 of 72 Level 1 or Level 2 acquisitions listed have received waivers from DHS reporting requirements

In other words, 35 percent of the programs on the list with life-cycle costs initially estimated at \$300 million or more have received waivers from requirements to update a range of acquisition-related information, including their cost estimates.

To exercise our oversight responsibilities, Members of the Subcommittee must understand the circumstances in which the Department waives requirements that acquisition programs report on previously-acknowledged indicators of their progress.

The Subcommittee has asked the Department to provide a May 2013 memorandum from the Under Secretary for Management granting these waivers-- and it is concerning that the Department provided the memo to the Committee minutes before the start of the hearing, making it difficult to thoroughly and appropriately assess DHS guidance on this issue.

Furthermore, GAO’s recent assessment of 22 of the Department’s costliest acquisition programs now underway finds that six of these programs have not received approval of their Acquisition Program Baselines (APBs) from DHS leadership, though Department policy requires such approval.

GAO additionally finds that despite the lack of fully-approved baselines, these six programs have spent a total of \$5 billion as of GAO’s review. Of the 16 programs in the sample that GAO could assess against APBs, two met cost and schedule baselines as of GAO’s review.

Major system acquisitions at the Department of Homeland Security spend billions of dollars each year, and provide our country’s front-line operators with the capabilities they need to achieve their critical missions.

When a DHS acquisition program falls short in terms of effectiveness or efficiency, it crowds-out investment in other high-priority missions.

I am aware that Chairman McCaul intends to introduce a bill to reform DHS acquisition, similar to legislation that passed the House last Congress. Members on this side look forward to working with you to develop and improve the bill in this Subcommittee.

I'd like to focus on making sure this new legislation reflects a strong preference on the part of Congress for DHS leaders and program managers to collect and use knowledge developed by program offices. This information reduces the risk incurred and enhances the value DHS receives when the Department makes major acquisition investments.

In addition, I believe that DHS acquisition reform legislation should require that the Department show good cause to an Acquisition Decision Authority in any case when DHS departs from best practices in knowledge-based acquisition management.

I would like to thank the panel of witnesses for appearing before the Subcommittee today, and I look forward to hearing their perspectives on these proposals.

I am very interested in hearing from the Department of Homeland Security's Acting Chief Acquisition Officer, Mr. Fulghum, who I hope will use this hearing as an opportunity to outline for the Subcommittee how Secretary Johnson's Unity of Effort initiatives will reverse the Department's troubling record of acquisition management challenges, several of which I've outlined.

Additionally, I am eager to hear from GAO's Ms. Mackin, whose experience in leading assessments of DHS acquisition activities will enable her to focus on critical open recommendations to DHS, and offer her perspective on how the Department could best prioritize and implement open recommendations from GAO reviews.

I also look forward to hearing from Dr. Sims, whose combination of experiences at the DHS component level in the Secret Service, at the headquarters level as Executive Director of the Office of Program Accountability and Risk Management, and in the private sector advising DHS contractors will help this Subcommittee as we look for ways to tackle significant management concerns for DHS.

These concerns strain the DHS budget and threaten the Department's operational effectiveness.