



January 2021

# DHS ANNUAL ASSESSMENT

Most Acquisition  
Programs Are Meeting  
Goals but Data  
Provided to Congress  
Lacks Context  
Needed For Effective  
Oversight

Accessible Version



A Century of Non-Partisan Fact-Based Work

# GAO@100 Highlights

Highlights of [GAO-21-175](#), a report to congressional committees

## Why GAO Did This Study

DHS plans to spend more than \$7 billion on its portfolio of major acquisition programs—with life-cycle costs over \$300 million—in fiscal year 2021 to help execute its many critical missions. The Explanatory Statement accompanying the DHS Appropriations Act, 2015, included a provision for GAO to review DHS's major acquisitions on an ongoing basis.

This report, GAO's sixth review, assesses the extent to which (1) DHS's major acquisition programs are meeting baseline goals, (2) DHS's guidance for developing acquisition documentation is consistent with DHS acquisition policy, and (3) DHS is reporting relevant information to Congress on its portfolio of major acquisition programs.

GAO assessed 24 acquisition programs, including DHS's largest programs that were in the process of obtaining new capabilities as of April 2018, and programs GAO or DHS identified as at risk of poor outcomes. GAO assessed cost and schedule progress against baselines; assessed DHS's congressional reporting requirements; and interviewed DHS officials and congressional appropriations committee staff.

## What GAO Recommends

GAO is making one recommendation for DHS to align acquisition guidance with policy, and one matter for Congress to consider determining what additional information it needs to perform oversight. DHS concurred with our recommendation.

View [GAO-21-175](#). For more information, contact Marie A. Mak at (202) 512-4841 or [makm@gao.gov](mailto:makm@gao.gov).

January 2021

## DHS Annual Assessment

### Most Acquisition Programs Are Meeting Goals but Data Provided to Congress Lacks Context Needed For Effective Oversight

## What GAO Found

As of September 2020, 19 of the 24 Department of Homeland Security (DHS) programs GAO assessed that had DHS approved acquisition program baselines were meeting their currently established goals. However, of the 24 programs, ten had been in breach of their cost or schedule goals, or both, at some point during fiscal year 2020. A few programs experienced breaches related to external factors, such as the COVID-19 pandemic, while others breached their baseline goals because of acquisition management issues. Five of these programs rebaselined to increase costs or delay schedules, but the remaining five were still in breach status as of September 2020 (see table). Further, GAO found that some of the 19 programs that were meeting their currently established goals—including the U.S. Coast Guard's Offshore Patrol Cutter program—are at risk of future cost growth or schedule slips.

#### DHS Major Acquisition Programs In Breach of Approved Cost or Schedule Goals (or Both) As of September 2020.

Program (estimated life-cycle cost)	Breach Type
National Cybersecurity Protection System (\$5,908 million)	Schedule
Homeland Advanced Recognition Technology (\$3,923 million)	Cost and Schedule
Grants Management Modernization (\$289 million)	Cost and Schedule
National Bio Agro-Defense Facility (\$1,298 million)	Schedule
Medium Range Surveillance Aircraft (\$15,187 million)	Schedule

Source: GAO analysis of Department of Homeland Security (DHS) data. | GAO-21-175

Note: The life-cycle cost information is the current acquisition program baseline cost goal as of September 2020. Programs may revise cost goals, if necessary, when the new baseline is approved.

GAO found that supplemental guidance for the development of acquisition documents generally aligned with requirements in DHS's acquisition management policy. However, guidance for developing acquisition documentation in DHS's Systems Engineering Life Cycle Instruction and accompanying Guidebook does not reflect current requirements in DHS's acquisition management policy. DHS officials stated that the information related to development of acquisition documents—including the systems engineering life cycle tailoring plan—should be consistent across all of DHS's policies, instructions, and guidebooks. Inconsistent agency-wide guidance can lead to a lack of clarity on when programs should submit their program documentation.

The Joint Explanatory Statement accompanying a bill to the DHS Appropriations Act, 2019, directed DHS to provide quarterly briefings on summary ratings for all major acquisition programs. While DHS is meeting this direction with summary ratings, the ratings do not include contextual information, such as programs' cost, schedule, or performance risks. This type of information would help Congress understand how the ratings relate to potential program outcomes. Determining what additional risk information is needed for DHS's major acquisition programs along with the reporting timeframes and the appropriate mechanism to provide the information, would help ensure that decision makers have needed context.

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**Abbreviations**

ADE	acquisition decision event
APB	acquisition program baseline
DHS	Department of Homeland Security
JRC	Joint Requirements Council
LCCE	life-cycle cost estimate
O&S	operations and support
ORD	operational requirements document
PC&I	procurement, construction and investment
PARM	Office of Program Accountability and Risk Management

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January 19, 2021

### Congressional Committees

Each year, the Department of Homeland Security (DHS) invests billions of dollars in a diverse portfolio of major acquisition programs to help execute its many critical missions. DHS and its components are acquiring systems to help secure the border, increase marine safety, screen travelers, enhance cybersecurity, improve disaster response, and execute a wide variety of other operations. In fiscal year 2021 alone, DHS plans to spend over \$7 billion on these acquisition programs, and ultimately, the department plans to invest more than \$220 billion over the life cycle of these programs. Most of DHS's major acquisition programs cost at least \$300 million and take multiple years to acquire.<sup>1</sup>

To help manage these programs, DHS established an acquisition management policy that we found to be generally sound in that it reflects key program management practices we identified in prior work.<sup>2</sup> However, we found shortfalls in executing the policy and highlighted DHS acquisition management issues in our high-risk updates since 2005.<sup>3</sup> Over the past decade, we also found that department leadership has dedicated additional resources and implemented new policies designed to improve acquisition oversight. However, our work has also identified shortcomings in the department's ability to manage its portfolio of major acquisitions and we have made numerous recommendations over the past decade to help address these challenges.<sup>4</sup> For example, in April 2017, we recommended that DHS update its acquisition policy to require that major acquisition programs' technical requirements are well defined and key technical reviews are conducted prior to approving programs to

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<sup>1</sup>DHS defines major acquisition programs as those with life-cycle cost estimates of \$300 million or more. In some cases, DHS may define a program with a life-cycle cost estimate less than \$300 million a major acquisition if it has significant strategic or policy implications for homeland security, among other things.

<sup>2</sup>GAO, *Homeland Security: DHS Requires More Disciplined Investment Management to Help Meet Mission Needs*, [GAO-12-833](#) (Washington, D.C.: Sept. 18, 2012).

<sup>3</sup>GAO, *High-Risk Series: An Update*, [GAO-05-207](#) (Washington, D.C.: Jan. 1, 2005). For our most recent report, see *High-Risk Series: Substantial Efforts Needed to Achieve Greater Progress on High-Risk Areas*, [GAO-19-157SP](#) (Washington, D.C.: Mar. 6, 2019).

<sup>4</sup>For examples of past GAO work, see a list of related GAO products at the end of this report.

initiate product development and establishing acquisition program baselines (APB), in accordance with acquisition leading practices.<sup>5</sup> In response to our recommendation, DHS revised its acquisition policy and adjusted the acquisition life cycle. Specifically, the updated instruction requires programs to conduct key technical reviews before establishing the program's initial DHS approved APB.

Nonetheless, DHS has not fully addressed some of our other recommendations. For example, in May 2018, we recommended that DHS should require the Office of Program Accountability and Risk Management (PARM) to assess the results of major acquisition programs' post implementation reviews and identify opportunities to improve performance across the acquisition portfolio.<sup>6</sup> Although DHS concurred with our recommendation and has taken steps to address it, the department is still in the process of developing tools to share lessons learned. Additionally, in December 2019, we found that major acquisition programs' schedule goals did not trace to the integrated master schedules in accordance with DHS guidance.<sup>7</sup> We recommended that DHS create an oversight process to confirm that programs' schedule goals are developed and updated to ensure traceability between APB schedule goals and integrated master schedules, in accordance with GAO's Schedule Assessment Guide.<sup>8</sup> DHS has taken some initial steps to begin reviewing program schedules; however, as of September 2020 it has yet to create an oversight process.

The Explanatory Statement accompanying a bill to the DHS Appropriations Act, 2015 contained a provision for GAO to conduct ongoing reviews of major DHS acquisition programs, as directed in the

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<sup>5</sup>GAO, *Homeland Security Acquisitions: Earlier Requirements Definition and Clear Documentation of Key Decisions Could Facilitate Ongoing Progress*, [GAO-17-346SP](#) (Washington, D.C.: Apr. 6, 2017).

<sup>6</sup>GAO, *Homeland Security Acquisitions: Leveraging Programs' Results Could Further DHS's Progress to Improve Portfolio Management*, [GAO-18-339SP](#) (Washington, D.C.: May 17, 2018).

<sup>7</sup>GAO, *Homeland Security Acquisitions: Outcomes Have Improved but Actions Needed to Enhance Oversight of Schedule Goals*, [GAO-20-170SP](#) (Washington, D.C.: Dec. 19, 2019).

<sup>8</sup>GAO, *Schedule Assessment Guide: Best Practices for Project Schedules*, [GAO-16-89G](#) (Washington, D.C.: Dec. 22, 2015).

Senate report.<sup>9</sup> This is our sixth such review. This report assesses the extent to which (1) DHS's major acquisition programs are meeting their baseline goals, (2) DHS's guidance for developing acquisition documentation is consistent with DHS acquisition policy, and (3) DHS is reporting relevant information to Congress on its portfolio of major acquisition programs.

To answer these objectives, we reviewed 30 of DHS's 43 major acquisition programs identified in the department's January 2020 Master Acquisition Oversight List. The programs we selected for review included 14 of DHS's Level 1 acquisition programs—those with life-cycle cost estimates (LCCE) of \$1 billion or more—that were in the process of obtaining new capabilities at the initiation of our audit, which DHS policy defines as the obtain phase of the acquisition life-cycle. We also selected 16 other major acquisition programs that we or DHS management identified as at risk of not meeting their schedules, cost estimates, or capability requirements. Three of these 16 programs were Level 2 acquisitions with LCCes between \$300 million and less than \$1 billion in the obtain phase. The other 13 programs were Level 1 or Level 2 programs that had not yet entered or were beyond the obtain phase.

To determine the extent to which the 30 programs we selected are meeting their schedule and cost goals, we analyzed available acquisition documentation, such as APBs, which contain information on programs' schedules and cost estimates. Since the November 2008 update to DHS's overarching acquisition management directive, these documents have required DHS-level approval; therefore, we used November 2008 as the starting point for our analysis. We found that 24 of the 30 programs had one or more department-approved APBs between November 2008 and September 30, 2020. The remaining six programs do not yet have department-approved APBs, and as a result, we excluded them from our portfolio analysis. However, appendix I includes an assessment of these six programs. We used the APBs and other program documents to construct a data collection instrument for each program and to determine whether the programs experienced schedule slips or cost growth, or whether they were meeting their established baselines as of September 30, 2020. See table 1.

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<sup>9</sup>Explanatory Statement submitted by Mr. Rogers of Kentucky, Chairman of the House Committee on Appropriations, regarding H.R. 240, Department of Homeland Security Appropriations Act, 2015, (161 Cong. Rec., H-276 (Jan. 13, 2015)).

**Appendix I: Program Assessments**

**Table 1: DHS Major Acquisition Programs Selected for Review**

<b>Component</b>	<b>Program</b>	<b>Acquisition Level</b>
Cybersecurity and Infrastructure Security Agency	Continuous Diagnostics and Mitigation	1
	National Cybersecurity Protection System	1
	Next Generation Networks – Priority Services Phase 1	2
	Next Generation Networks – Priority Services Phase 2	2
DHS Management Directorate	Homeland Advanced Recognition Technology	1
Federal Emergency Management Agency	Grants Management Modernization	2
Science and Technology Directorate	National Bio and Agro-Defense Facility	1
Transportation Security Administration	Checkpoint Property Screening System	1
	Credential Authentication Technology	2
	Electronic Baggage Screening Program	1
U.S. Citizenship and Immigration Services	Transformation	1
U.S. Coast Guard	270' Medium Endurance Cutter Service Life Extension Program	1
	Fast Response Cutter	1
	H-65 Conversion/Sustainment Projects	1
	Long Range Surveillance Aircraft (HC-130H/J)	1
	Medium Range Recovery Helicopter	1
	Medium Range Surveillance Aircraft (HC-144 and C-27J)	1
	National Security Cutter	1
	Offshore Patrol Cutter	1
	Polar Security Cutter	1
U.S. Customs and Border Protection	Automated Commercial Environment	1
	Biometric Entry-Exit	1
	Border Wall System Program	1
	Cross Border Tunnel Threat	1
	Integrated Fixed Towers	2
	Medium Lift Helicopter	1
	Multi-Role Enforcement Aircraft	1
	Non-Intrusive Inspection Systems	1
	Non-Intrusive Inspection Integration	1
	Remote Video Surveillance Systems	1

Legend: shaded rows = the program has not yet established an acquisition program baseline approved by DHS leadership.

Source: GAO analysis of Department of Homeland Security (DHS) data. | GAO-21-175

Appendix I presents individual assessments of and information about each of the 30 programs we reviewed. These assessments include key information such as the status of programs' schedules, costs, and testing. Our objective for the 2-page assessments is to provide decision makers a



means to quickly gauge the programs' progress and the extent to which they face any cost, schedule, performance, or program risks.

To determine the extent to which DHS's guidance for developing acquisition documentation is consistent with DHS's acquisition policy, we reviewed DHS's acquisition management instruction and compared it to supplemental guidance provided by DHS subject matter experts. We focused our review on nine selected acquisition documents that require headquarters-level approvals for capital assets. Examples include APBs, LCCEs, and operational requirements documents (ORD). We first determined when DHS's acquisition management instruction initially required each acquisition document or required an update for each document. We then compared our findings to the requirements identified in supplemental guidance for each document to determine if the supplemental guidance aligned with the acquisition management instruction. To verify our findings and obtain information on DHS's plans to address related issues, we subsequently interviewed DHS headquarters officials including officials from PARM, the Office of the Chief Financial Officer, and the Science and Technology Division's Test and Evaluation Directorate.

To determine the extent to which DHS is reporting relevant information to Congress on its portfolio of major acquisition programs, we reviewed the briefing request contained in the Joint Explanatory Statement accompanying a bill to the DHS Appropriations Act, 2019.<sup>10</sup> We then reviewed documentation DHS provided to the appropriations committees, such as briefing slides. We also reviewed the underlying documentation that was used to develop them, such as DHS's Acquisition Program Health Assessment reports, which DHS leadership uses to assess the health of major acquisition programs. Additionally, we met with PARM officials who developed the briefings provided to appropriations committees. We also interviewed congressional staff from the Homeland Security Subcommittees for the Senate and House Committees on Appropriations to discuss the information they receive from DHS, to determine if the information being provided was sufficient to meet the needs of the committees in their oversight roles.

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<sup>10</sup>The DHS Chief Acquisition Officer has been directed to provide quarterly briefings on summary ratings for all Level 1 and Level 2 acquisition programs to the appropriations committees. H. R. Rep. No. 116-9, at 473 (Feb. 13, 2019) (Conf. Rep.), accompanying Consolidated Appropriations Act, 2019 (H.J. Res. 31), Pub. L. No. 116-6, 133 Stat. 13; H.R. Rep. No. 115-948, at 12 (Sept. 12, 2018).

Appendix II provides detailed information on our scope and methodology.

We conducted this performance audit from January 2020 to January 2021 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

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## Background

To help manage its multi-billion dollar acquisition investments, DHS has established policies and processes for acquisition management, requirements development, test and evaluation, and resource allocation. The department uses these policies and processes to deliver systems that are intended to close critical capability gaps, helping enable DHS to execute its missions and achieve its goals.

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## Acquisition Management Policy

DHS's policies and processes for managing its major acquisition programs are primarily set forth in its Acquisition Management Directive 102-01 and Acquisition Management Instruction 102-01-001. DHS issued the initial version of this directive in November 2008 in an effort to establish an acquisition management system that effectively provides required capability to operators in support of the department's missions. DHS issued multiple updates to its acquisition management directive and instruction, in part to be responsive to our recommendations. DHS issued the current version of the directive in February 2019 and the current version of the instruction in August 2020.

DHS also issued a separate Systems Engineering Life Cycle policy consisting of an instruction (102-01-103) and its implementing guidebook (102-01-103-01) in November 2015 and April 2016, respectively, that outlines the technical framework underlying DHS's acquisition management system. However, as of September 2020, DHS officials stated they were in the process of updating both the instruction and guidebook to reflect the changes to the acquisition management directive and instruction. These officials anticipate issuing the updated System Engineering Life Cycle Instruction and Guidebook by December 2020. DHS's Under Secretary for Management is currently designated as the

department’s Chief Acquisition Officer and, as such, is responsible for managing the implementation of the department’s acquisition policies.

The Under Secretary for Management is the acquisition decision authority for the department’s largest acquisition programs, those with LCCEs of \$1 billion or greater. Component Acquisition Executives—typically the most senior acquisition management officials within each of DHS’s components—may be delegated acquisition decision authority for programs with cost estimates between \$300 million and less than \$1 billion. Table 2 identifies how DHS categorized the 30 major acquisition programs we reviewed in this report.<sup>11</sup>

**Table 2: DHS Acquisition Levels for Selected Major Acquisition Programs**

Level	Life-cycle cost estimates	Acquisition decision authority	Number of programs reviewed in this report
1	Greater than or equal to \$1 billion	Under Secretary for Management/Chief Acquisition Officer	25
2	\$300 million or more, but less than \$1 billion	Under Secretary for Management/Chief Acquisition Officer, or the Component Acquisition Executive	5

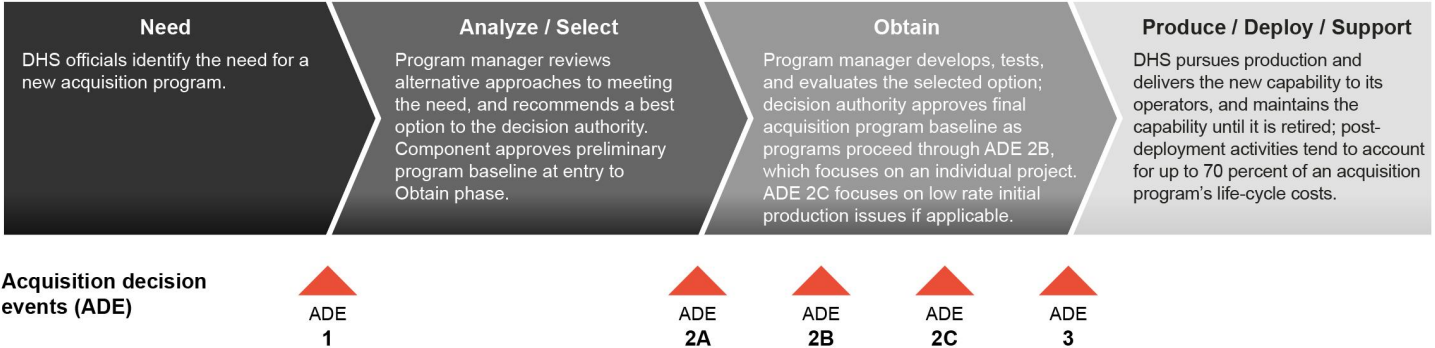
Source: GAO analysis of Department of Homeland Security (DHS) data. | GAO-21-175

DHS acquisition management policy establishes that a major acquisition program’s decision authority shall review the program at a series of predetermined acquisition decision events (ADE) to assess whether the major program is ready to proceed through the acquisition lifecycle phases. Depending on the program, these events can occur within months of each other or be spread over several years. The 2019 revision to the DHS acquisition management policy modified entrance criteria for ADEs. For example, the revised policy requires acquisition decision authority approval of APBs by ADE 2B. Under the prior version of the policy, acquisition decision authority approval of the APB occurred at ADE 2A. Figure 1 reflects the current acquisition life cycle in DHS acquisition management policy.

<sup>11</sup>See appendix II for the programs within each level.

**Figure 1: DHS Acquisition Life Cycle for Major Acquisition Programs**

Acquisition phases



Source: GAO analysis of Department of Homeland Security (DHS) data. | GAO-21-175

Note: Programs may develop capabilities through individual projects, segments, or increments, which are approved at ADE 2B. Programs without individual projects, segments, or increments may conduct a combined ADE 2A/2B since ADE 2B is the first milestone at which programs are required to submit certain acquisition documents.

An important aspect of an ADE is the decision authority's review and approval of key acquisition documents. See table 3 for a description of the type of key acquisition documents identified in the August 2020 acquisition instruction that required department-level approval for capital assets, as well as the ADE at which DHS's acquisition policy requires it to be completed.

**Table 3: Select DHS Headquarters-Approved Documents Required at Acquisition Decision Events (ADE) For Capital Assets**

Document Name	ADE 1	ADE 2A	ADE 2B	ADE 2C	ADE 3
<b>Acquisition Program Baseline (APB)</b>	No requirement	No requirement	Requirement <sup>a</sup>	Requirement <sup>a</sup>	Requirement <sup>a</sup>
<ul style="list-style-type: none"> <li>Establishes a program's critical baseline cost, schedule, and performance parameters.</li> <li>Expresses the parameters in measurable, quantitative terms, which must be met in order to accomplish the program's goals.</li> </ul>					
<b>Analysis of Alternatives (AOA) Study Plan</b>	No requirement	Requirement	No requirement	No requirement	No requirement
<ul style="list-style-type: none"> <li>Sets assumptions, scope, and constraints for the AOA, which is an analytical comparison of selected solution alternatives to fulfill a capability gap or need.</li> </ul>					
<b>Capability Development Plan (CDP)</b>	Requirement	No requirement	No requirement	No requirement	No requirement

**Appendix I: Program Assessments**

<b>Document Name</b>	<b>ADE 1</b>	<b>ADE 2A</b>	<b>ADE 2B</b>	<b>ADE 2C</b>	<b>ADE 3</b>
<ul style="list-style-type: none"> <li>Serves as the agreement between the component head, program manager, and the acquisition decision authority on the activities, cost, and schedule for the analysis and selection of potential solutions to fill a mission need.</li> </ul>					
<b>Integrated Logistics Support Plan (ILSP)</b>	No requirement	No requirement	Requirement	Requirement <sup>a</sup>	Requirement <sup>a</sup>
<ul style="list-style-type: none"> <li>Defines the strategy for ensuring the supportability and sustainment of a future capability.</li> <li>Provides critical insight into the approach, schedule, and funding requirements for integrating supportability requirements into the systems engineering process.</li> </ul>					
<b>Life-Cycle Cost Estimate (LCCE)</b>	No requirement	Requirement	Requirement <sup>a</sup>	Requirement <sup>a</sup>	Requirement <sup>a</sup>
<ul style="list-style-type: none"> <li>Provides an exhaustive and structured accounting of all resources and associated cost elements required to develop, produce, deploy, and sustain a particular program.</li> </ul>					
<b>Mission Need Statement (MNS)</b>	Requirement	No requirement	No requirement	No requirement	No requirement
<ul style="list-style-type: none"> <li>Synopsizes at a high-level the specific capabilities required to accomplish DHS's mission objectives, along with deficiencies and gaps in these capabilities.</li> </ul>					
<b>Operational Requirements Document (ORD)</b>	No requirement	Requirement	No requirement	No requirement	No requirement
<ul style="list-style-type: none"> <li>Captures the business or operational user requirements and identifies which of these requirements are key performance parameters.</li> <li>Describes the mission, objectives, and capabilities in operationally relevant terms.</li> </ul>					
<b>System Engineering Life Cycle Tailoring Plan (SELCTP)</b>	No requirement	Requirement	No requirement	No requirement	No requirement
<ul style="list-style-type: none"> <li>Tailors the phases, products, and reviews in the System Engineering Life Cycle to meet the specific needs of each program and project.</li> </ul>					
<b>Technology Assessment</b>	No requirement	Requirement	No requirement	No requirement	No requirement
<ul style="list-style-type: none"> <li>Provides relevant information on the technical maturity, manufacturing capability, and technical risk of a planned technology.</li> </ul>					
<b>Test and Evaluation Master Plan</b>	No requirement	Requirement	No requirement	Requirement <sup>a</sup>	No requirement

Appendix I: Program Assessments

Document Name	ADE 1	ADE 2A	ADE 2B	ADE 2C	ADE 3
<ul style="list-style-type: none"> <li>Documents the overarching test and evaluation approach for the acquisition program.</li> <li>Describes the developmental and operational test and evaluation needed to determine a system's technical performance, operational effectiveness, suitability, and cyber resiliency.</li> </ul>					

Source: GAO analysis of Department of Homeland Security (DHS) information. | GAO-21-175

Note: In October 2020, DHS updated its test and evaluation directive and the instruction for implementing the directive. We will assess the new versions of these documents in future assessments.

<sup>a</sup>Document must be approved and updated, as necessary, to reflect the current status of the program.

In a 2019 revision to DHS's acquisition policy, DHS modified the way in which APBs for major acquisition programs are developed and approved. Specifically, the policy now states that a preliminary APB—approved by component acquisition executives—is required at ADE 2A. The preliminary APB is updated, as necessary, and submitted for approval by the acquisition decision authority at ADE 2B. By contrast, the prior version of the acquisition policy required the acquisition decision authority to approve an initial APB at ADE 2A. Obtaining acquisition decision authority approval of the APB later in the acquisition life cycle allows programs to better define technical requirements prior to approval.

DHS acquisition management policy establishes that the APB is the agreement between program, component, and department-level officials that establishes how systems being acquired will perform, when they will be delivered, and what they will cost. Specifically, the APB establishes a program's schedule, costs, and key performance parameters. DHS requirements policy describes key performance parameters as a program's most important and non-negotiable requirements that a system must meet to fulfill its fundamental purpose. For example, a key performance parameter for an aircraft may be airspeed and a key performance parameter for a surveillance system may be detection range.

The APB establishes objective (target) and threshold (maximum acceptable for cost, latest acceptable for schedule, and minimum acceptable for performance) baselines. According to DHS policy, if a program fails to meet any schedule, cost, or performance threshold approved in the APB, it is considered to be in breach. Programs in breach are required to notify their acquisition decision authority and develop a remediation plan that outlines a time frame for the program to return to its APB parameters, rebaseline—that is, establish new schedule, cost, or

performance goals—or have a DHS-led program review that results in recommendations for a revised baseline.

In addition to the acquisition decision authority, other bodies and senior officials support DHS's acquisition management function:

- The Acquisition Review Board reviews major acquisition programs for proper management, oversight, accountability, and alignment with the department's strategic functions at ADEs and other meetings as needed. The board is chaired by the acquisition decision authority or a designee and consists of members and representatives who manage DHS's mission objectives, resources, and contracts.
- The Line of Business Chiefs include the DHS Chief Financial Officer, the Chief Information Officer, the Chief Procurement Officer, the Chief Human Capital Officer, the Chief Security Officer, and the Chief Readiness Support Officer, among others. The Line of Business Chiefs have responsibility for executing acquisition portfolios and are responsible and accountable for adhering to the department's acquisition policies and procedures to ensure the sound management, review, support, and approval. The Line of Business Chiefs also provide oversight of acquisition programs within their respective organizations and are members of the Acquisition Review Board.
- The Office of Program Accountability and Risk Management (PARM) is responsible for DHS's overall acquisition governance process, supports the Acquisition Review Board, and reports directly to the Under Secretary for Management. PARM develops and updates acquisition management policies and procedures, reviews major programs, provides guidance for workforce planning activities, and provides support to program managers.
- Components, such as U.S. Customs and Border Protection, the Transportation Security Administration, and the U.S. Coast Guard sponsor specific acquisition programs.<sup>12</sup> The head of each component

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<sup>12</sup>DHS's components consist of operational components—those that have responsibility for directly achieving one or more of the department's missions or activities—and support components—those that generally provide assistance or guidance to other DHS components or external organizations. For example, the Management Directorate is a support component that generally provides assistance and guidance to other DHS components and external organizations and includes functions like budget, finance, information technology, facilities, human capital, and acquisitions. However, the Management Directorate also manages acquisition programs. Typically these programs are those that involve multiple components, such as programs related to relocating the DHS headquarters and updates to financial systems for multiple components.

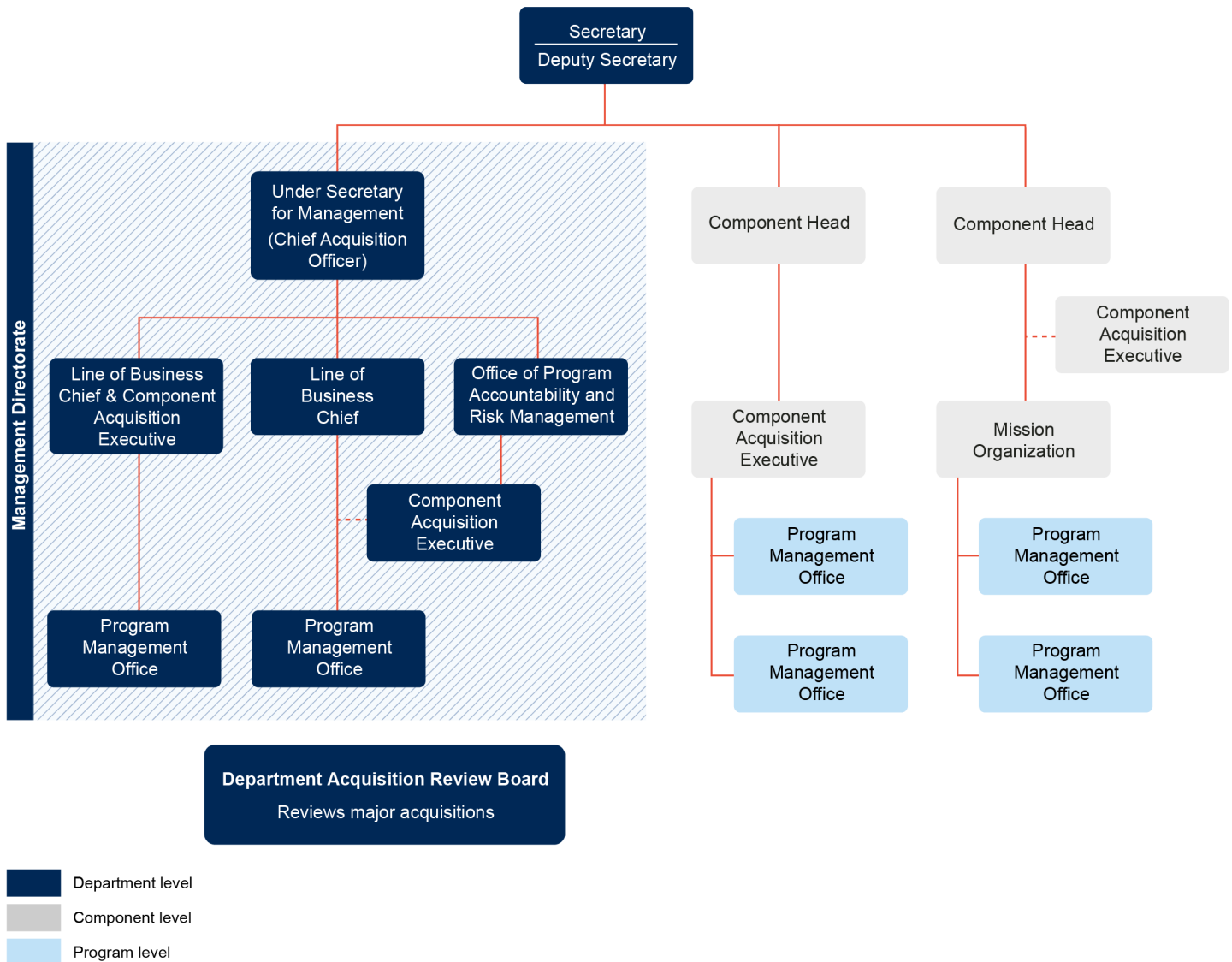
is responsible for oversight of major acquisition programs once the programs complete delivery of all planned capabilities to end users.

- Component Acquisition Executives within the components are responsible for overseeing the execution of their respective portfolios.
- Program management offices, also within the components, are responsible for planning and executing DHS's individual programs. They are expected to do so within the cost, schedule, and performance parameters established in their APBs. If they cannot do so, programs are considered to be in breach and must take specific steps, as noted above.

Figure 2 depicts the relationship between acquisition managers at the department, component, and program level.



Figure 2: Department of Homeland Security's Acquisition Management Structure



Source: GAO analysis of Department of Homeland Security information. | GAO-21-175

## Requirements Development Process

In 2016, we found that DHS had not effectively implemented or adhered to its review process for major acquisitions and recommended that DHS reinstate the Joint Requirements Council (JRC) to review and approve acquisition requirements and assess potential duplication of effort across

the department.<sup>13</sup> DHS established a JRC to develop and lead a component-driven joint requirements process for the department. In March 2016, DHS revised its policy instruction to reflect the addition of the JRC as an acquisition oversight body. Among other responsibilities, the JRC is to provide requirements-related advice and validate key acquisition documentation to prioritize requirements and inform DHS investment decisions among its components. The JRC chair is a member of the Acquisition Review Board and advises the board on capability gaps, needs, and requirements at key milestones in the acquisition life cycle. In March 2019, we reported that the JRC could better fulfill its mission by identifying overlapping or common requirements, and by making recommendations to senior leadership to inform budget decisions and help ensure that DHS uses its finite investment resources wisely.<sup>14</sup> We will continue to monitor the JRC's efforts through GAO's high risk work.

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## Test and Evaluation Policy

In May 2009, DHS established policies that describe processes for testing the capabilities delivered by the department's major acquisition programs.<sup>15</sup> The primary purpose of test and evaluation is to provide timely, accurate information to managers, decision makers, and other stakeholders to reduce programmatic, financial, schedule, and performance risks. We provide an overview of programs' test activities in the individual program assessments presented in appendix I, as appropriate.

DHS testing policy assigns specific responsibilities to particular individuals and entities throughout the department:

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<sup>13</sup>DHS re-established the JRC in June 2014. For more information, see GAO, *Homeland Security Acquisitions: Joint Requirements Council's Initial Approach Is Generally Sound and It Is Developing a Process to Inform Investment Priorities*, [GAO-17-171](#) (Washington, D.C.: Oct. 24, 2016).

<sup>14</sup>[GAO-19-157SP](#).

<sup>15</sup>DHS issued multiple updates to its Test and Evaluation Directive 026-06 and instruction for implementing this directive, and issued the current versions of the directive and instruction on October 1, 2020. We will incorporate changes in these policies in future assessments of DHS major acquisition programs.

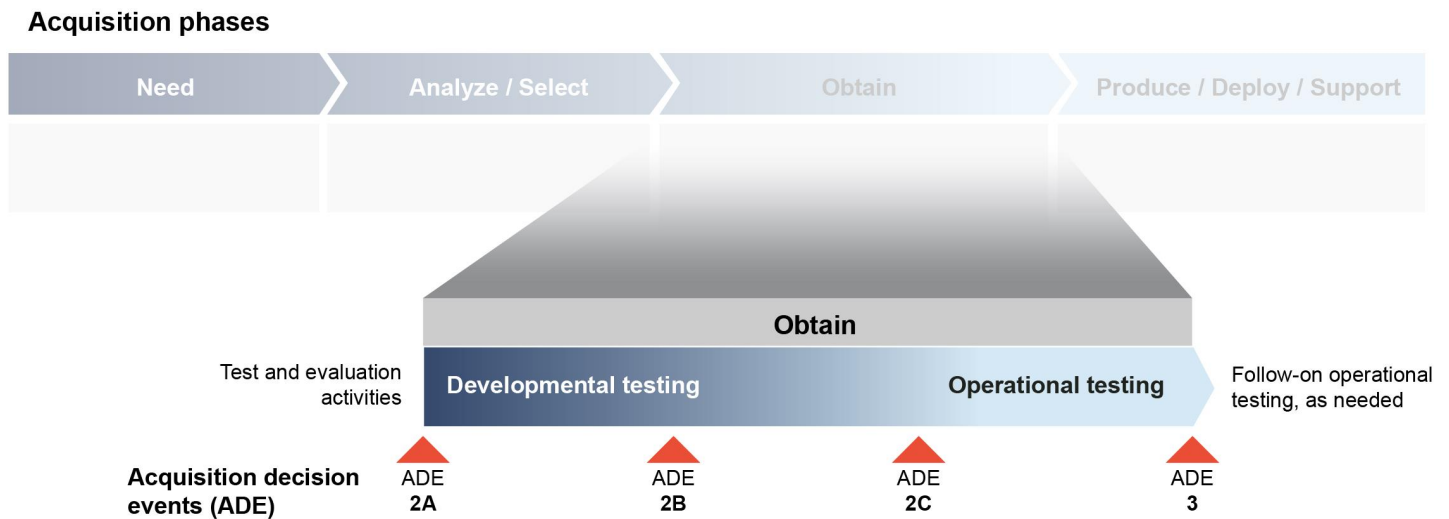
- Program managers have overall responsibility for planning and executing their programs' testing strategies, including scheduling and funding test activities and delivering systems for testing.
- Operational test agents are responsible for planning, conducting, and reporting on operational test and evaluation to identify whether a system can meet its key performance parameters and provide an evaluation of the operational effectiveness, suitability, and cybersecurity of a system in a realistic environment. Operational effectiveness refers to the overall ability of a system to provide a desired capability when used by representative personnel. Operational suitability refers to the degree to which a system can be placed into field use and sustained satisfactorily. Operational cyber resiliency refers to the degree to which a system is able to accomplish its mission in a cyber-contested environment. The operational test agents may be organic to the component, another government agency, or a contractor, but must be independent of the program manager, end user, and developer.
- The Director, Office of Test and Evaluation (DOT&E) is responsible for approving major acquisition programs' operational agent and test and evaluation master plans, among other things. A program's test and evaluation master plan must describe the developmental and operational testing needed to determine technical performance and operational effectiveness, suitability, and cyber resiliency.<sup>16</sup> As appropriate, the Director is also responsible for participating in operational tests, reviewing operational test agents' reports, and assessing the reports. Prior to a program's ADE 2C, ADE 3, and other ADEs, as appropriate, the Director provides the program's acquisition decision authority a letter of assessment that includes an appraisal of the program's operational test, a concurrence or non-concurrence with the operational test agent's evaluation, and any further independent analysis.

As an acquisition program proceeds through its life cycle, the testing emphasis moves gradually from developmental testing to operational testing. In addition to operational testing, programs complete an assessment of cyber resiliency to inform ADE 3. See figure 3.

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<sup>16</sup>DHS's updated the acquisition management instruction (DHS Instruction 102-01-001) in May 2019 and again in August 2020 and updated its test and evaluation instruction in October 2020. These instructions require the Test and Evaluation Master Plan at ADE 2A. Previously, it was required at ADE 2B.

Figure 3: Test Activities Established by DHS Policy within the Obtain Phase



Source: GAO analysis of Department of Homeland Security (DHS) documents. | GAO-21-175

## Over Three-Quarters of Selected Programs are Meeting Goals, but 10 Were in Breach at Some Point During Fiscal Year 2020 and Several Face Future Risks

Of the 24 programs we assessed with department-approved APBs, 19 are currently meeting their most recent cost and schedule baseline goals as of September 2020. However, 10 of the 24 programs were in breach of their cost, schedule, or both goals at some point during fiscal year 2020. A few of the programs experienced breaches related to external factors, such as Coronavirus Disease 2019 (COVID-19), while others breached their baseline goals because of acquisition management issues.

Moreover, some programs continue to face risks of breaching cost and schedule goals in the future. Of the 24 programs we assessed, 17 have conducted testing of their key performance parameters and are meeting their most recent department-approved performance goals. However, DHS leadership identified at least three programs that are at risk of not meeting end user needs, but have taken steps to improve outcomes. As a result of COVID-19, we found instances where programs faced challenges or anticipate challenges in the future, but several officials

reported that DHS leadership is helping programs identify mitigation strategies on a case by case basis.

## Nineteen of 24 Programs Are Meeting Established Cost and Schedule Goals as of September 2020

We found that 19 of the 24 programs we reviewed with department-approved APBs were meeting their current baseline goals as of September 2020. The remaining five programs were not meeting their baseline goals and were in the process of revising their baselines or planned to revise their baselines. See Table 4 for the status of each of the 24 programs we assessed as of September 2020.

**Table 4: Department of Homeland Security Program Status as of September 2020**

Meeting baseline goals	Not meeting baseline goals
<p><b>Cybersecurity and Infrastructure Security Agency</b></p> <ul style="list-style-type: none"> <li>Continuous Diagnostics and Mitigation<sup>a</sup></li> <li>Next Generation Networks - Priority Services*</li> </ul> <p><b>Transportation Security Administration</b></p> <ul style="list-style-type: none"> <li>Credential Authentication Technology</li> <li>Electronic Baggage Screening Program</li> </ul> <p><b>U.S. Citizenship and Immigration Services</b></p> <ul style="list-style-type: none"> <li>Transformation</li> </ul> <p><b>U.S. Coast Guard</b></p> <ul style="list-style-type: none"> <li>270' Medium Endurance Cutter</li> <li>Fast Response Cutter</li> <li>H-65 Conversion/Sustainment Program</li> <li>Long Range Surveillance Aircraft</li> <li>National Security Cutter<sup>a</sup></li> <li>Offshore Patrol Cutter</li> <li>Polar Security Cutter</li> </ul> <p><b>U.S. Customs and Border Protection</b></p> <ul style="list-style-type: none"> <li>Automated Commercial Environment</li> <li>Biometric Entry-Exit Program</li> <li>Border Wall System Program</li> <li>Integrated Fixed Towers</li> <li>Medium Lift Helicopter</li> <li>Multi-Role Enforcement Aircraft<sup>a</sup></li> <li>Non-Intrusive Inspection Systems<sup>a</sup></li> </ul>	<p><b>Cybersecurity and Infrastructure Security Agency</b></p> <ul style="list-style-type: none"> <li>National Cybersecurity Protection System</li> </ul> <p><b>DHS Management Directorate</b></p> <ul style="list-style-type: none"> <li>Homeland Advanced Recognition Technology</li> </ul> <p><b>Federal Emergency Management Agency</b></p> <ul style="list-style-type: none"> <li>Grants Management Modernization</li> </ul> <p><b>Science and Technology Directorate</b></p> <ul style="list-style-type: none"> <li>National Bio and Agro-Defense Facility</li> </ul> <p><b>U.S. Coast Guard</b></p> <ul style="list-style-type: none"> <li>Medium Range Surveillance Aircraft</li> </ul>

Source: GAO analysis of Department of Homeland Security (DHS) data. | GAO-21-175

<sup>a</sup>Indicates program is meeting DHS approved baseline goals, but costs or schedule may exceed baseline (1) because the program plans to revise its baseline after receiving additional funding to procure more capability than reflected in the current baselines, or (2) due to adjustments officials said they made in response to revised component guidance.

### Ten Programs Were in Breach of Cost or Schedule Goals at Some Point during Fiscal Year 2020 and Some Programs Are at Risk of Breaching Goals in the Future

Of the 24 programs we reviewed, 10 were in breach of their cost goals, schedule goals, or both at some point during fiscal year 2020. We found that programs' breaches were a result of various factors. Of these 10 programs, five revised their cost and schedule goals during fiscal year 2020 following a breach and the remaining five programs were still in breach status as of September 2020. See table 5 for some details on the breaches of these 10 programs. For additional details, see appendix I.

**Table 5: DHS Major Acquisition Programs in Breach Status At Some Point During Fiscal Year 2020**

Component	Program	Breach Type	Reason for Breach	Effect of Breach
<b>Programs that rebaselined</b>				
Transportation Security Administration	Electronic Baggage Screening Program	Cost	Change in procurement strategy	Total life-cycle cost increase of \$928 million
U.S. Coast Guard	Offshore Patrol Cutter	Schedule	Effects of Hurricane Michael	Acquisition decision event 2C slipped 3 months, initial operational testing slipped by 21 months, initial operational capability slipped 18 months
U.S. Customs and Border Protection	Biometric Entry-Exit	Cost and Schedule	Testing delays, and initial cost estimate was immature	Acquisition decision event 3 date slipped by 3 months and total life-cycle cost increased by \$524 million
U.S. Customs and Border Protection	Border Wall System Program (Fiscal Year 2018)	Schedule	Delays in land acquisitions	Initial operational capability date for the Rio Grande Valley sector slipped by 15 months; initial operational capability date for San Diego sector slipped by 3 months

**Appendix I: Program Assessments**

<b>Component</b>	<b>Program</b>	<b>Breach Type</b>	<b>Reason for Breach</b>	<b>Effect of Breach</b>
U.S. Customs and Border Protection	Integrated Fixed Towers	Schedule	Delays in land access negotiations	Full operational capability date slipped 6 months
<b>Programs still in breach status</b>				
Cybersecurity and Infrastructure Security Agency	National Cybersecurity Protection System	Schedule	Delays in updating requirements documents	Not yet known
DHS Management Directorate	Homeland Advanced Recognition Technology	Cost and Schedule	Contractor's approach was not feasible and a lack of understanding of complexity of requirements	Not yet known
Federal Emergency Management Agency	Grants Management Modernization	Cost and Schedule	Underestimation of scope and complexity of program	Not yet known
Science and Technology Directorate	National Bio and Agro-Defense Facility	Schedule	Effects of Coronavirus Disease 2019	Not yet known
U.S. Coast Guard	Medium Range Surveillance Aircraft	Schedule	Contracting delays	Not yet known

Source: GAO analysis of Department of Homeland Security (DHS) data. | GAO-21-175

In addition, some of the programs on track as of September 2020—including some that rebaselined in fiscal year 2020—are facing risks that might lead to cost growth or schedule slips in the future. For example,

- U.S. Customs and Border Protection's Border Wall System Program is at risk for additional schedule slips as a result of continuing issues acquiring land necessary to construct the border wall. Specifically, program officials told us that as a result of the outbreak of COVID-19 and social distancing requirements, there have been challenges meeting with land owners. In addition, some courts have been closed, which limits the ability to search county records and hold hearings related to land possession.
- U.S. Customs and Border Protection's Integrated Fixed Tower program is at risk of additional schedule slips, which officials attribute in part to time needed to allow for the preservation of archaeological sites that were uncovered while building access roads to tower sites.
- U.S. Coast Guard's Polar Security Cutter will likely experience a schedule slip because planned delivery of the lead ship is 2 months after the program's APB threshold date. Further, during a briefing to Coast Guard leadership in April 2020, program officials reported that the program's aggressive schedule continues to be one of its most significant risks. In September 2020, DHS officials told us that the program plans to rebaseline in late calendar year 2020 or early 2021 to update its cost and schedule goals based on contractor information not available when the baseline was established.

- U.S Coast Guard's Offshore Patrol Cutter is at risk of additional schedule slips and cost growth. As we reported in October 2020, the Offshore Patrol Cutter program continues to move forward in the acquisition process with an immature design as well as cost and schedule risks.<sup>17</sup> After the shipbuilder requested relief from certain requirements under contract following widespread disruptions from Hurricane Michael in October 2018, the Coast Guard divided the program into two stages and a revised baseline in March 2020. Under this revised plan, the current shipbuilder will build up to four cutters in the first stage, while the acquisition of the remaining 21 cutters will be awarded under one or more new contracts in fiscal year 2022 in the second stage. The program's revised baseline, however, does not include a schedule or a refined cost estimate that fully account for these changes.

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### Programs Are Generally Achieving Performance Goals and Although Some Are at Risk of Not Meeting End User Needs, Actions Have Been Identified

Seventeen of the 24 programs we reviewed conducted testing of deployed capabilities and were generally achieving their performance goals as of September 2020. Of the key performance parameters assessed for these 17 programs, we found instances where not all of a program's key performance parameters were assessed during testing because capability associated with the performance parameter has not yet been developed. For example, the Cybersecurity and Infrastructure Security Agency's Next Generation Networks – Priority Services program deploys capability incrementally. The program has not yet achieved two of its key performance parameters because the capability for the program's second increment has not yet been deployed.

However, in assessments of programs' operational assessments and test events, DOT&E identified several programs that have significant operational risks. For example, DHS leadership identified at least three programs as at risk of not meeting end user needs following operational assessments or test events. Two of these programs met their key performance parameters during operational test events. In each of these

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<sup>17</sup>GAO, *Coast Guard Acquisitions: Opportunities Exist to Reduce Risk for the Offshore Patrol Cutter Program*, [GAO-21-9](#) (Washington, D.C.: Oct. 28, 2020).



cases, actions have been identified, but not yet completed, to address the concerns. Specifically:

- Custom and Border Protection's Biometric Entry-Exit, Air-Exit capability: In December 2019, DOT&E assessed the program's operational test results and determined the program met its four key performance parameters. However, DOT&E concluded that the capability deployed did not satisfy all user operational requirements. Specifically, in the assessment, DOT&E reported the Air-Exit capability did not clearly demonstrate enhancements prior to operational test and evaluation, and the testing did not identify any clear or measurable operational benefits. DOT&E's assessment was considered as part of the program's December 2019 ADE 3, which approved full scale production and deployment. However, the program was directed to update its concept of operations and operational requirements document to more clearly describe the program's expected benefits, among other things. As of September 2020, these documents were still in the process of being updated.
- Cybersecurity and Infrastructure Security Agency's National Cybersecurity Protection System Block 2.2: In January 2018, DOT&E assessed the program's operational assessment and determined that current user operations did not align with the program's key acquisition documentation. Further, DOT&E concluded that the program's key performance parameters were not operationally meaningful to track progress to full operational capability. DOT&E's assessment of Block 2.2 was considered during the segment's ADE 2C. DHS leadership acknowledged the segment was at risk of not meeting the end user's needs, but granted approval for ADE 2C in February 2018. DOT&E recommended that the program revise its key performance parameters and DHS leadership directed the program to update its concept of operations and operational requirements document following the decision. As a result of delays experienced while revising these documents, the program declared a schedule breach in January 2020. In August 2020, program officials told us they now plan to restructure the program after fully assessing the requirements of end users, but they were unsure when acquisition documents would be revised to reflect program changes.

Custom and Border Protection's Automated Commercial Environment: In November 2018, DOT&E assessed the program's operational test results and determined that the program's Entry Summary, Accounts, and Revenue capability—which provides import and entry specialists with electronic data—decreases CBP's operational efficiency. The report noted that CBP officials estimated a 30 to 40 percent increase in staff

would be required to reach the previous throughput levels prior to deploying this capability. DHS leadership granted the program approval for ADE 3—approving full scale production and deployment—in November 2018 and directed the program to continue developing the Entry Summary, Accounts, and Revenue capability to improve operational effectiveness. DHS leadership also directed follow-on operational test and evaluation to ensure that the identified issues were corrected. Follow-on testing was completed in July 2020 and the operational test agent determined that all critical operational issues, including those related to Entry Summary, Accounts and Revenue capability, had been resolved. However, CBP officials stated that cyber resiliency testing was delayed due to the COVID-19 pandemic but they anticipate the results will be finalized by December 2020. DOT&E also identified several other programs with operational risks due to the status of implementing cyber resiliency requirements. In October 2019, we reported that cyberattacks have the potential to prevent systems from working when needed which could lead to an inability for end users to complete missions or even loss of life. At that time, we found that program compliance with DHS’s cybersecurity testing requirements had been slow.<sup>18</sup> During this review, we found that DHS leadership and programs continue to take steps to address cyber resiliency. However, we found that DHS leadership at times directs programs to complete cyber resiliency testing through action items in acquisition decision memorandums. For example, in September 2019, the U.S. Customs and Border Protection’s Multi-Role Enforcement Aircraft program achieved ADE 3 for its air interdiction aircraft. In the letter of assessment from DOT&E that informed the ADE 3, DOT&E acknowledged the program had not completed cyber resilience testing. In response, DHS leadership directed the program to develop a plan to assess cyber resiliency. Officials from DHS’s Test and Evaluation Division stated that they are taking steps to help ensure that programs’ plans to assess cyber resiliency are incorporated earlier in the acquisition lifecycle so testing can be completed as part of operational test and evaluation and inform ADE 3. For example, DOT&E stated that as programs update test and evaluation master plans, a plan to assess cyber resiliency must be included in order to obtain approval.

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<sup>18</sup>GAO, *Homeland Security Acquisitions: Opportunities Exist to Further Improve DHS’s Oversight of Test and Evaluation Activities*, [GAO-20-20](#) (Washington, D.C.: Oct. 24, 2019).

## Some Programs Have Experienced or Anticipate Future Challenges Due to COVID-19

Due to the outbreak of COVID-19, which was characterized by the World Health Organization as a pandemic in March 2020, some of the 24 programs we reviewed have faced challenges or anticipate challenges in the future. As a result, in October 2020, DHS's Undersecretary for Management authorized Component Acquisition Executives, in coordination with PARM, the authority to provide up to a 6-month extension of schedule baseline goals for Level 1 and select Level 2 major acquisition programs that experience delays related to COVID-19. Component Acquisition Executives must also notify DHS's Cost Analysis Division of any cost baseline adjustments that major acquisition programs experiencing schedule delays need as a result of COVID-19. Several officials reported that DHS and component leadership are helping programs identify mitigation strategies on a case by case basis because the COVID-19 situation is still evolving and presents unique challenges to each program.

In some instances, programs identified risks of not receiving funding necessary to deploy capabilities as planned. For example, U.S. Customs and Border Protection's Biometric Entry-Exit and U.S. Citizenship and Immigration Services' Transformation programs reported shortfalls in fees the government collects from immigration services that are used to fund these programs. According to officials, collection of fees for these services has been significantly reduced, in part because of the COVID-19 pandemic. Officials from U.S. Customs and Border Protection stated that they have prior year funding available to mitigate funding shortfalls in fiscal year 2020, but they are coordinating with component and DHS officials to address anticipated funding gaps in fiscal year 2021. Similarly, Transformation program officials said they are coordinating with U.S. Citizenship and Immigration Services officials and also are assessing staffing needs based on workload and fees collected.

In other instances, programs reported that social distancing requirements—the practice of maintaining physical distance from others and avoiding large gatherings to reduce the rate of infectious diseases—as well as travel restrictions have resulted in schedule delays and limited the ability of some contractors to perform work as expected. For example:

- U.S. Coast Guard officials said the H-65 Conversion/Sustainment program experienced a 5-week pause of the aircraft's production line

as a result of social distancing requirements that limited the contractor's ability to complete work as planned. Coast Guard officials said that the schedule delays have not had an effect on the program's full operational capability date.

- Cybersecurity and Infrastructure Security Agency's Next Generation Networks - Priority Services program reported delays in testing due to social distancing requirements, which limited the number of officials allowed within lab spaces. Program officials stated these delays were mitigated such that the program's APB milestone will not be affected.
- The Transportation Security Administration's Electronic Baggage Screening Program reported delays in testing due to social distancing requirements. According to program officials, the Transportation Security Administration's Systems Integration Facility prioritized testing of certain technologies, but the delays have not had a significant effect on the program's schedule.
- The Science and Technology Directorate's National Bio and Agro-Defense Facility officials reported that the program experienced schedule delays as a result of stay-at-home orders and travel restrictions related to COVID-19. Program officials reported that these restrictions limited the participation of key stakeholders in the testing and commissioning process of the facility. As a result, the program needs to execute contract modifications to extend the time frames for work. For additional information on the effects of COVID-19 on individual programs, see appendix I.

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## Supplemental Guidance Is Generally Consistent with Acquisition Policy, but Systems Engineering Guidance Does Not Align

We found that supplemental guidance for the development of acquisition documents generally aligned with requirements outlined in DHS's August 2020 acquisition management policy. For example, DHS's Joint Requirements Integration and Management System Instruction Manual outlines detailed guidelines and procedures for development of an acquisition program's Mission Needs Statement and Operational Requirements Document, consistent with DHS's acquisition management

policy.<sup>19</sup> However, guidance for developing acquisition documentation in DHS's November 2015 Systems Engineering Life Cycle Instruction and accompanying 2016 Guidebook—which outline the technical framework underlying DHS's acquisition management system—does not reflect current requirements in DHS's acquisition management policy.<sup>20</sup> PARM officials told us that the Systems Engineering Life Cycle Instruction and Guidebook are being updated to reflect the current acquisition management policy. However, this effort has been ongoing for over a year and will also affect the time frames in which programs are required to develop other key acquisition documents, including systems engineering life cycle tailoring plans.

Systems engineering life cycle technical reviews provide a mechanism for management to assess how well a program or project has completed planned activities and readiness to continue to the next planned activity. These reviews can be tailored to the unique characteristics of each program or project, and the details regarding the program or project's specific scope, content, and schedule are provided in systems engineering life cycle tailoring plans. DHS specifies in its Systems Engineering Life Cycle Guidebook that the systems engineering life cycle tailoring plan is a living document that needs to accurately reflect the program or project's current state and any changes in approach. As such, the Instruction and Guidebook specify that these plans are to be approved no later than ADE 2B and should be updated, as necessary, at ADE 2C and ADE 3. While a prior version of DHS's acquisition management policy required the development of systems engineering life cycle tailoring plans at ADE 2B, the current acquisition policy calls for the development of these plans earlier in the acquisition cycle, at ADE 2A, and does not refer to updates at subsequent milestones. PARM officials told us that the updated Systems Engineering Life Cycle Instruction and Guidebook will align with the current acquisition policy to require the development of the systems engineering tailoring plan at ADE 2A.

In September 2020, PARM officials acknowledged that the information related to the development of acquisition documents, including the systems engineering life cycle tailoring plan, should be consistent across

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<sup>19</sup>DHS Instruction Manual 107-01 -001-01, Department of Homeland Security Manual for the Operation of the Joint Requirements Integration and Management System (Apr. 21, 2016).

<sup>20</sup>DHS Instruction 102-01-103, Systems Engineering Life Cycle (Nov. 5, 2015); DHS Guidebook 102-01-103-01, Systems Engineering Life Cycle Guidebook (Apr. 18, 2016).

all of DHS's policies, instructions, and guidebooks. Inconsistent agency-wide guidance can lead to a lack of clarity on when programs should submit their program documentation. In addition, PARM officials explained that although the acquisition policy requires programs to develop the plan at ADE 2A, it should also require programs to provide updates at subsequent ADEs to reflect the current status of the program. PARM officials stated that they plan to update the acquisition instruction to include updating of the systems engineering life cycle tailoring plan as it is outlined in the Systems Engineering Life Cycle Instruction and Guidebook. PARM officials told us that the updated System Engineering Life Cycle Instruction and Guidebook will continue to call for updates to the plan, when necessary, as subsequent milestones.

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## Information DHS Provides to Congress Lacks Context on Acquisition Program Risks

Summary information for each major acquisition program that DHS provides to congressional committees lacks important programmatic context necessary to understand the current status of the program, including the risks facing each program that could affect its outcome. The Joint Explanatory Statement accompanying a bill to the DHS Appropriations Act, 2019, contained a provision for DHS to provide quarterly briefings on summary ratings for all Level 1 and 2 acquisition programs.<sup>21</sup> In response to this provision, DHS provides a list of major acquisition programs with a summary rating on a scale of 1 to 5, with 5 being the best program health score, among other administrative information.

We found that, while DHS was providing the briefings described in the Joint Explanatory Statement, the summary rating information does not provide important contextual information with regard to the risks facing the programs. For example, the summary rating for the U.S. Coast Guard's Polar Security Cutter was a 4.4 in the February 2020 briefing, but does not convey the significant risks associated with the program's accelerated schedule.

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<sup>21</sup>The DHS Chief Acquisition Officer has been directed to provide quarterly briefings on summary ratings for all Level 1 and Level 2 acquisition programs to appropriations committees. H. R. Rep. No. 116-9, at 473 (Feb. 13, 2019 Conf. Rep.), accompanying Consolidated Appropriations Act, 2019 (H.J. Res. 31), Pub. L. No. 116-6, 133 Stat. 13; H.R. Rep. No. 115-948, at 12 (Sept. 12, 2018).

To develop its briefings to congressional committees, DHS leverages an internal report that it uses to inform DHS's senior leadership on the status of acquisition programs—the Acquisition Program Health Assessment (APHA). This report assesses programs on up to 11 categories. These categories include, for example, financial management, schedule, and capability performance. The summary ratings DHS provides in its quarterly briefings to the appropriations committees are calculated by assigning a weighted percentage to each of the 11 category ratings in the APHA to develop a single program rating on a scale of 1 to 5. The APHA also includes a narrative that provides context on where programs are in the acquisition life cycle and current risks—contextual information not provided to the appropriations committees. For example, several programs included in the APHA identify potential funding shortfalls or potential schedule breaches. Additionally, there are programs that established or plan to establish multiple APBs, and the summary rating does not capture the specifics of each APB. For example, the Border Wall Systems Program establishes a baseline for each fiscal year based on available funding, and each baseline has specific cost, schedule, and performance parameters that are subject to DHS's breach policy. In April 2020, this program was in breach of its schedule goals in one of its baselines, was meeting its goals in another, and was developing a third baseline. However, in the summary rating provided to congressional committees in April 2020, DHS only provided decision makers with the program's summary rating and identified that the program was in breach. The information DHS provided lacked context that would have helped committee staff understand which baseline was breached, the types of breaches, and the program's risks as a result of the breaches.

In September 2020, PARM officials told us they offered to provide in-person briefings to the appropriations committees to supplement the information provided in the summary ratings. However, these officials said that on multiple occasions the in-person briefings were cancelled due to scheduling conflicts. Also in September 2020, staff from the Homeland Security Subcommittees for the Senate and House Committees on Appropriations told us that the summary ratings currently provided quarterly by DHS do not include information on the programs' cost, schedule, and performance risks that would help the committees understand potential outcomes for the programs. In its direction to DHS in the 2019 Explanatory Statement, the House Committee on Appropriations said it was reminding the Chief Acquisition Officer that briefings on summary ratings were supposed to be provided quarterly. Committee staff explained that the provision for DHS to provide quarterly briefings with summary ratings was included in the Explanatory Statement after the

Comprehensive Acquisition Status Report (CASR) requirement ended in 2017.<sup>22</sup>

Previously, the CASR provided congressional appropriations committees with programmatic data and evaluative information, such as a program's current acquisition phase, lifecycle cost, and a rating of cost, schedule, and technical risks for each major acquisition on DHS's Master Acquisition Oversight List. According to both committee staff and DHS leadership, providing the CASR in a timely manner was a significant challenge for the department and as a result, information included in the CASR was often out of date by the time it was delivered. Committee staff told us that DHS was relieved of the CASR reporting requirement because they recognized the significant level of effort it took the department to develop the report and because they now receive some of information that was included in the CASR through other sources. For example, committee staff and DHS leadership told us some information previously provided in the CASR is now available in acquisition decision memorandums, which the department provides on a regular basis, and budget justification documents. However, committee staff said that the committees need additional details beyond the information provided through these other sources and the summary ratings currently provided by DHS. For example, they said that program-specific cost, schedule, performance, and risk information would be helpful. Determining what cost, schedule, performance, and programmatic risk information is needed for DHS's major acquisition programs—along with the reporting time frames and the appropriate mechanism to provide the information—would help ensure that decision makers have needed context.

Standards for Internal Control in the Federal Government call for the communication of quality information from relevant and reliable data and

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<sup>22</sup>The Fiscal Year 2012 DHS Appropriations Act required the Under Secretary for Management to submit a CASR for fiscal year 2013, and an associated conference report contained the specific information to be included in the CASR. See the Consolidated Appropriations Act, 2012, Pub. L. No. 112-74, 125 Stat. 786, 944, (2011) and H.R. Rep. No. 112-331, at 950 (2011) (Conf. Rep.). This requirement was repeated in subsequent Appropriations Acts. In 2015, GAO recommended DHS update the template used to develop the CASR to include additional information. However, the CASR requirement was not included in the 2017 Appropriation Act and the template was not used to complete a report. See GAO, *Homeland Security Acquisitions: DHS Should Better Define Oversight Roles and Improve Program Reporting to Congress*, [GAO-15-292](#) (Washington, D.C.: Mar. 12, 2015).



that is appropriate, complete, and timely, among other things.<sup>23</sup> The single summary ratings for each program provided by DHS do not delineate key factors driving the rating such as program status, cost, schedule, performance, and associated risks, which are important to understand a program's health. Although DHS provides summary ratings for its major acquisition programs to the appropriations committees, as currently directed, this information does not provide congressional decision makers with the context to help make informed decisions and conduct effective oversight.

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## Conclusions

DHS's mission to safeguard the American people and homeland requires a broad portfolio of acquisitions. Since we began reviewing DHS's portfolio of major acquisitions in 2015, the department strengthened implementation of its policies to improve acquisition oversight. DHS recently updated its acquisition policy to better reflect acquisition leading practices and to implement a 2017 GAO recommendation, changing the timing of when a program establishes its initial baseline to occur after key system engineering reviews. But opportunities remain for DHS to ensure requirements in its Systems Engineering Life Cycle Instruction and Guidance align with its acquisition policy. Inconsistent acquisition management and systems engineering policies and guidance can lead to a lack of clarity on when programs should submit their program documentation and, as a result, program officials may not provide DHS leadership with timely information related to program changes as they are made during the acquisition life cycle.

In addition, we found while DHS is currently following the direction for congressional reporting related to the status of its major acquisition programs, the information provided lacks the context the appropriations committees need to help inform decisions. Without more information on the current status of DHS's major acquisition programs and the risks these programs are facing that might affect future performance, congressional decision makers lack key information to inform their critical oversight responsibilities and budgetary decisions.

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<sup>23</sup>GAO, *Standards for Internal Control in the Federal Government*, [GAO-14-704G](#) (Washington, D.C.: Sept. 10, 2014).

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## Matter for Congressional Consideration

Congress should consider determining what information on cost, schedule, and performance risks for DHS Level 1 and 2 acquisition programs it needs to inform oversight and determine the appropriate reporting mechanisms for DHS to provide that information. (Matter for Consideration 1)

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## Recommendation for Executive Action

The Secretary of Homeland Security should ensure that the Undersecretary for Management ensure the requirements for establishing key acquisition documentation in the acquisition management instruction and Systems Engineering Life Cycle Instruction and Guidebook align, to include requirements for the systems engineering life cycle tailoring plans. (Recommendation 1)

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## Agency Comments

We provided a draft of this report to DHS for review and comment. DHS's comments are reproduced in appendix III. DHS also provided technical comments which we incorporated as appropriate. In its comments, DHS concurred with our recommendation and identified actions it planned to take to address them.

We are sending copies of this report to the appropriate congressional committees and the Acting Secretary of Homeland Security. In addition, the report is available at no charge on the GAO website at <https://www.gao.gov>.

If you or your staff have any questions about this report [or testimony], please contact me at (202) 512-4841 or [makm@gao.gov](mailto:makm@gao.gov). Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made key contributions to this report are listed in appendix IV.



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**Appendix I: Program Assessments**

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Marie A. Mak  
Director, Contracting and National Security Acquisitions

*List of Committees*

Chair  
Ranking Member  
Committee on Homeland Security and Governmental Affairs  
United States Senate  
Chair  
Ranking Member  
Subcommittee on Homeland Security  
Committee on Appropriations  
United States Senate  
Chair  
Ranking Member  
Subcommittee on Homeland Security  
Committee on Appropriations  
House of Representatives  
The Honorable Bennie Thompson  
Chairman  
The Honorable John Katko  
Ranking Member  
Committee on Homeland Security  
House of Representatives

## Appendix I: Program Assessments

This appendix presents individual assessments for the 30 Department of Homeland Security (DHS) major acquisition programs we reviewed. Each assessment presents information current as of September 2020. The assessments include standard elements, such as an image, a program description, and summaries of the program's progress in meeting cost and schedule goals, and key program information, such as baseline quantities. In addition, the assessments provide summaries of the program execution, performance and testing activities, and program management-related issues, as applicable. The information presented in these assessments was obtained from DHS documentation, answers to our questionnaire by DHS officials, and interviews with DHS and program officials, and includes our analysis of program information. Each assessment also includes the following figures:

- Acquisition Program Baseline (APB) vs. Current Estimate. This figure compares the program's cost thresholds from the initial APB approved after DHS's acquisition management policy went into effect in November 2008 and the program's current DHS-approved APB to the program's expected costs as of September 2020. The source for the current estimate is the most recent cost data we obtained (i.e., a department-approved life-cycle cost estimate, updated life-cycle cost estimates submitted during the resource allocation process to inform the fiscal year 2021 budget request, or a fiscal year 2020 annual life-cycle cost estimate update). Costs shown are based on the program's APB threshold costs and are presented in then-year dollars. For consistency in reporting, we use the terms procurement, construction and investment (PC&I) and operations and support (O&S) when describing costs in these assessments
- Program Costs for Fiscal Year 2021–2025. This figure provides the programs' estimated acquisition, operations and sustainment, and total estimated costs for fiscal years 2021-2025.
- Schedule. This figure consists of a timeline that identifies key milestones for the program. The timeline identifies when the program completed or expected to reach its major milestones as of September 2020. Dates shown are based on the program's APB threshold dates or updates provided by the program office.

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**Appendix I: Program Assessments**

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Lastly, each program assessment summarizes comments provided by the program office and identifies whether the program provided technical comments.

## Appendix II: Objectives, Scope, and Methodology

The objectives of this audit were designed to provide congressional committees insight into the Department of Homeland Security's (DHS) major acquisition programs. We assessed the extent to which (1) DHS's major acquisition programs are meeting their baseline goals, (2) DHS's guidance for developing acquisition documentation is consistent with its acquisition policy, and (3) DHS is reporting relevant information to Congress on its portfolio of major acquisition programs.

To address these questions, we selected 31 of DHS's 43 major acquisition programs.<sup>1</sup> We selected 14 of DHS's Level 1 acquisition programs—those with life-cycle cost estimates (LCCE) of \$1 billion or more—that had at least one project, increment, or segment in the Obtain phase—the stage in the acquisition life cycle when programs develop, test, and evaluate systems—at the initiation of our audit. Additionally, we reviewed 17 other major acquisition programs—including 11 Level 1 or Level 2 programs that either had not yet entered or were beyond the Obtain phase, and six Level 2 programs that have LCCEs between \$300 million and less than \$1 billion—that we identified were at risk of not meeting their cost estimates, schedules, or capability requirements based on our past work and discussions with DHS officials. We subsequently determined one program, the Advanced Wireless Services program, which is to pilot the department's new rapid acquisition process, was delayed in reaching key milestones and we removed it from the scope of this review. We met with representatives from DHS's Office of Program Accountability and Risk Management (PARM)—DHS's main body for acquisition oversight—as a part of our scoping effort to determine which programs, if any, were facing difficulties in meeting their cost estimates, schedules, or capability requirements. The 30 selected programs were sponsored by eight different components, and they are identified in table 6, along with our rationale for selecting them.

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<sup>1</sup>Our review included 24 of the 29 programs we reviewed in GAO, *Homeland Security Acquisitions: Outcomes Have Improved but Actions Needed to Enhance Oversight of Schedule Goals*, [GAO-20-170SP](#) (Washington, D.C.: Dec. 19, 2019).

**Appendix II: Objectives, Scope, and Methodology**

**Table 6: Rationale for Selecting DHS Major Acquisition Programs for Review**

<b>Component</b>	<b>Program</b>	<b>Level 1 program in the Obtain phase at the initiation of our audit</b>	<b>Level 1 and Level 2 programs identified to be at risk<sup>b</sup></b>
Cybersecurity and Infrastructure Security Agency	Continuous Diagnostics and Mitigation	yes	no
	National Cybersecurity Protection System	yes	no
	Next Generation Networks - Priority Services Phase 1 <sup>a</sup>	no	yes
	Next Generation Networks - Priority Services Phase 2 <sup>a</sup>	No; new program reviewed in 2020	Yes; new program reviewed in 2020
DHS Management Directorate	Homeland Advanced Recognition Technology	yes	no
Federal Emergency Management Agency	Grants Management Modernization <sup>a</sup>	No; new program reviewed in 2020	Yes; new program reviewed in 2020
Science and Technology Directorate	National Bio and Agro-Defense Facility	yes	no
Transportation Security Administration	Checkpoint Property Screening System	yes	no
	Credential Authentication Technology <sup>a</sup>	no	yes
	Electronic Baggage Screening Program	no	yes
U.S. Citizenship and Immigration Services	Transformation	yes	no
U.S. Coast Guard	270' Medium Endurance Cutter Service Life Extension Program	No; new program reviewed in 2020	Yes; new program reviewed in 2020
	Fast Response Cutter	no	yes
	H-65 Conversion/Sustainment Program	no	yes
	Long Range Surveillance Aircraft (HC-130H/J)	no	yes
	Medium Range Recovery Helicopter	No; new program reviewed in 2020	Yes; new program reviewed in 2020
	Medium Range Surveillance Aircraft (HC-144A & C-27J)	yes	no
	National Security Cutter	no	yes
	Offshore Patrol Cutter	yes	no
	Polar Security Cutter	yes	no
U.S. Customs and Border Protection	Automated Commercial Environment	yes	no
	Biometric Entry-Exit Program	yes	no



**Appendix II: Objectives, Scope, and Methodology**

<b>Component</b>	<b>Program</b>	<b>Level 1 program in the Obtain phase at the initiation of our audit</b>	<b>Level 1 and Level 2 programs identified to be at risk<sup>b</sup></b>
	Border Wall System Program	yes	no
	Cross-Border Tunnel Threat	no	yes
	Integrated Fixed Towers <sup>a</sup>	no	yes
	Medium Lift Helicopter	yes	no
	Multi-Role Enforcement Aircraft	yes	no
	Non-Intrusive Inspection Systems Program	no	yes
	Non-Intrusive Inspection Integration Program	No; new program reviewed in 2020	Yes; new program reviewed in 2020
	Remote Video Surveillance System	no	yes

Source: GAO analysis of Department of Homeland Security (DHS) data. | GAO-21-175

<sup>a</sup>Level 2 program.

<sup>b</sup>Programs in this column are either Level 2 programs in the Obtain phase or Level 1 and 2 program that had not yet entered or were beyond the Obtain phase that we identified were at risk of not meeting their cost estimates, schedules, or capability requirements based on our past work and discussions with DHS officials.

To determine the extent to which DHS’s major acquisition programs are meeting their schedule and cost goals, we collected key acquisition documentation for each of the 30 programs, such as all LCCEs and acquisition program baselines (APB) approved at the department level since DHS’s current acquisition management policy went into effect in November 2008. DHS policy establishes that all major acquisition programs should have a department-approved APB—which establishes a program’s critical cost, schedule, and performance parameters, at ADE 2B. Twenty-four of the 30 programs had one or more department-approved LCCEs and APBs between November 2008 and September 30, 2020.<sup>2</sup> We used these APBs to establish the initial and current cost and schedule goals for the programs. We then developed a data collection instrument to help validate the information from the APBs. Specifically, for each program, we pre-populated data collection instruments to the extent possible with the schedule and cost information we had obtained from the APBs and our prior assessments (if applicable) to identify schedule and cost goal changes, if any, during fiscal year 2020. We shared our data collection instruments with officials from the program offices to confirm or

<sup>2</sup>The remaining six programs—Cross-Border Tunnel Threat, Non-Intrusive Inspection Systems Integration, Remote Video Surveillance System, Next Generation Networks – Priority Services Phase 2, Checkpoint Property Screening System, and Medium Range Recovery Helicopter—did not receive department approval of their initial APBs by September 30, 2020. Therefore, we excluded them from our assessment of whether programs are on track to meet their schedule and cost goals during fiscal year 2020.

correct our initial analysis and to collect additional information to enhance the timeliness and comprehensiveness of our data sets. We also reviewed the Future Years Homeland Security Program report to Congress for fiscal years 2021-2025, which presents 5-year funding plans for each of DHS's major acquisition programs. However, we determined that information collected from programs was more current and suitable for our purposes. We then met with program officials to identify causes and effects associated with any identified schedule and cost goal changes, including changes as a result of the Coronavirus Disease 2019 pandemic. Subsequently, we drafted preliminary assessments for each program. When drafting these assessments, we combined the Non-Intrusive Inspection Systems Program with the Non-Intrusive Inspection Integration program because the Non-Intrusive Inspection Integration program is a follow-on effort that has not yet established a preliminary APs. Similarly, we combined the Next Generation Networks - Priority Services Phase 1 and 2 programs because the Phase 2 program is a follow-on effort that has not yet established a preliminary APB. In addition, we drafted three assessments for the Border Wall System Program—one for each of fiscal years 2018, 2019, and 2020—because the program established acquisition program baselines for each fiscal year that funding was provided. After drafting the assessments, we shared them with program and component officials, and gave these officials an opportunity to submit comments to help us correct any inaccuracies, which we accounted for as appropriate (such as when new information was available).

To determine the extent to which DHS's guidance for developing acquisition documentation is consistent with acquisition policy, we reviewed DHS's acquisition management instruction and compared it to supplemental guidance provided by DHS's Lines of Business. We focused our review on 10 of the headquarters-approved documents.<sup>3</sup> We determined when DHS's acquisition management instruction initially required each acquisition document or required an update for each document. We compared our findings to the requirements identified in supplemental guidance for each document to determine if the supplemental guidance was in alignment with the acquisition

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<sup>3</sup>We reviewed the guidance for the following nine headquarters-approved documents: acquisition plans, acquisition program baselines, analysis of alternatives study plans, capability development plans, integrated logistics support plans, life-cycle cost estimates, mission needs statements, operational requirements documents, systems engineering life cycle tailoring plans, and technology assessments.

management instruction. To verify our findings and plans to address issues found, we subsequently interviewed relevant DHS officials.

To determine the extent to which DHS is reporting relevant information to Congress on its portfolio of major acquisition programs, we reviewed the briefing request contained in the Joint Explanatory Statement accompanying a bill to the DHS Appropriations Act, 2019.<sup>4</sup> We then reviewed documentation DHS provided to the appropriations committees, such as briefing slides, and the underlying documentation that was used to develop them, such as the Acquisition Program Health Assessment. Additionally, we met with PARM officials who developed the briefings provided to Congress. We also interviewed congressional staff from the Homeland Security Subcommittees for both the Senate and House Committee on Appropriations to discuss the information they receive from DHS to determine if the information being provided was sufficient to meet the needs of the committees in their oversight roles.

We conducted this performance audit from January 2020 to January 2021 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

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<sup>4</sup>The DHS Chief Acquisition Officer has been directed to provide quarterly briefings on summary ratings for all Level 1 and Level 2 acquisition programs to appropriations committees. H. R. Rep. No. 116-9, at 473 (Feb. 13, 2019) (Conf. Rep.), accompanying Consolidated Appropriations Act, 2019 (H.J. Res. 31), Pub. L. No. 116-6, 133 Stat. 13; H.R. Rep. No. 115-948, at 12 (Sept. 12, 2018).

## Appendix III: Comments from the Department of Homeland Security

U.S. Department of Homeland Security  
Washington, DC 20528



December 17, 2020

Marie A. Mak  
Director, Contracting and National Security Acquisitions  
U.S. Government Accountability Office  
441 G Street, NW  
Washington, DC 20548

Re: Management Response to Draft Report GAO-21-175, "DHS ANNUAL  
ASSESSMENT: Most Acquisition Programs Are Meeting Goals but Data  
Provided to Congress Lacks Context Needed for Effective Oversight"

Dear Ms. Mak:

Thank you for the opportunity to comment on this draft report. The U.S. Department of Homeland Security (DHS or the Department) appreciates the U.S. Government Accountability Office's (GAO) work in planning and conducting its review and issuing this report.

DHS is pleased to note GAO's recognition that the Department's major acquisition programs are generally meeting cost, schedule, and performance goals. This year was more challenging than most, and DHS also appreciates GAO's acknowledgement of (1) challenges the programs faced due to COVID-19 pandemic, and (2) that DHS leadership is helping programs affected by the pandemic by allowing them to delay their schedule baseline goals by up to six months to alleviate the effects of the pandemic. DHS remains committed to supporting the Components as they navigate these challenges and working together to best manage the risks these programs face.

The draft report contained one recommendation with which the Department concurs. Attached find our detailed response to the recommendation. DHS previously submitted technical comments addressing several accuracy and contextual issues under a separate cover for GAO's consideration.

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**Appendix III: Comments from the Department  
of Homeland Security**

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Again, thank you for the opportunity to review and comment on this draft report. Please feel free to contact me if you have any questions. We look forward to working with you again in the future.

Sincerely,

**JIM H  
CRUMPACKER**

Digitally signed by JIM H CRUMPACKER  
Date: 2020.12.17 13:38:07 -05'00'

JIM H. CRUMPACKER, CIA, CFE  
Director  
Departmental GAO-OIG Liaison Office

Attachment

**Attachment: Management Response to Recommendation  
Contained in GAO-21-175**

GAO recommended that the Secretary of DHS:

**Recommendation 1:** Ensure that the Under Secretary for Management ensure the requirements for establishing key acquisition documentation in the acquisition management instruction and Systems Engineering Life Cycle Instruction and Guidebook align, to include requirements for the systems engineering life cycle tailoring plans.

**Response:** Concur. The Management Directorate's Office of Program Accountability and Risk Management (PARM) is in the final stages of updating and aligning the Systems Engineering Lifecycle (SELC) Instruction, 102-01-103, dated November 2015, and Guidebook 102-01-103-01, dated April 2016 with the Acquisition Management Instruction, 102-01-001 Rev01.2, dated August 2020. GAO previously made two prior recommendations to DHS related to the SELC Instruction and Guidebook<sup>1</sup>, and the Department believes that the issues identified in this current report will be addressed through the actions already being taken to address those prior recommendations.

Specifically, addressing the prior recommendations required an extensive rewrite of the SELC Instruction in order to re-structure and streamline the SELC policy. This revision includes changes to align SELC activities, as well as acquisition program documentation, to the acquisition lifecycle framework's acquisition decision event (ADE) gates, as established in the Acquisition Management Instruction. All necessary SELC policy realignments recommended in this report will be accomplished via the SELC Instruction update.

Additionally, PARM is authoring a minor revision of the Acquisition Management Instruction, 102-01-001, dated August 2020, to state that the SELC Tailoring Plan be required prior to ADE-2A, and updated as necessary at subsequent milestones. This revision will also correct typographical errors and other minor edits.

Estimated Completion Date: September 30, 2021.

<sup>1</sup> See GAO-17-346SP, "HOMELAND SECURITY ACQUISITIONS: Earlier Requirements Definition and Clear Documentation of Key Decisions Could Facilitate Ongoing Progress," dated April 2017; and GAO-20-170SP, "HOMELAND SECURITY ACQUISITIONS: Outcomes Have Improved but Actions Needed to Enhance Oversight of Schedule Goals," dated December 2019.

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Text of Appendix III: Comments from the Department of  
Homeland Security

Page 1

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Page 2

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JIM H. CRUMPACKER, CIA, CFE  
Director  
Departmental GAO-OIG Liaison Office

Attachment

Page 3

**Attachment: Management Response to Recommendation Contained in GAO-21-175 GAO recommended that the Secretary of DHS:**

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**Response:**

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## Appendix IV: GAO Contact and Staff Acknowledgments

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### GAO Contact

Marie A. Mak, (202) 512-4841 or [makm@gao.gov](mailto:makm@gao.gov)

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### Staff Acknowledgments

In addition to the contact listed above, Rick Cederholm (Assistant Director), Alexis Olson (Analyst-in-Charge), Kerry Burgott, Andrea Evans, Natalie Logan, Bonita J.P. Oden, and Charlie Shivers III made key contributions to this report. Other contributors included Mathew Bader, Erin Butkowski, John Crawford, Alexandra Dew Silva, Lorraine Ettaro, Alexandra Gebhard, Betsy Gregory-Hosler, Stephanie Gustafson, Claire Li, Shannin O'Neill, Ashley Rawson, Anne Louise Taylor, and Robin Wilson.

## Related GAO Products

*Coast Guard Acquisitions: Opportunities Exist to Reduce Risk for the Offshore Patrol Cutter Program.* [GAO-21-9](#). Washington, D.C.: October 28, 2020.

*Homeland Security Acquisitions: DHS Has Opportunities to Improve Its Component Acquisition Oversight.* [GAO-21-77](#). Washington, D.C.: October 20, 2020.

*High-Risk Series: Substantial Efforts Needed to Achieve Greater Progress on High-Risk Areas.* [GAO-19-157SP](#). Washington, D.C.: March 6, 2019.

*Coast Guard Acquisitions: Polar Icebreaker Program Needs to Address Risks before Committing Resources.* [GAO-18-600](#). Washington, D.C.: September 4, 2018.

*DHS Acquisitions: Additional Practices Could Help Components Better Develop Operational Requirements.* [GAO-18-550](#). Washington, D.C.: August 8, 2018.

*Southwest Border Security: CBP Is Evaluating Designs and Locations for Border Barriers but Is Proceeding Without Key Information.* [GAO-18-614](#). Washington, D.C.: July 30, 2018.

*Coast Guard Acquisitions: Actions Needed to Address Longstanding Portfolio Management Challenges.* [GAO-18-454](#). Washington, D.C.: July 24, 2018.

*Homeland Security Acquisitions: Leveraging Programs' Results Could Further DHS's Progress to Improve Portfolio Management.* [GAO-18-339SP](#). Washington, D.C.: May 17, 2018.

*DHS Program Costs: Reporting Program-Level Operations and Support Costs to Congress Would Improve Oversight.* [GAO-18-344](#). Washington, D.C.: April 25, 2018.

*Border Security: Additional Actions Could Strengthen DHS Efforts to Address Subterranean, Aerial, and Maritime Smuggling.* [GAO-17-474](#). Washington, D.C.: May 1, 2017.

*Homeland Security Acquisitions: Identifying All Non-Major Acquisitions Would Advance Ongoing Efforts to Improve Management.* [GAO-17-396](#). Washington, D.C.: April 13, 2017.

*Homeland Security Acquisitions: Earlier Requirements Definition and Clear Documentation of Key Decisions Could Facilitate Ongoing Progress.* [GAO-17-346SP](#). Washington, D.C.: April 6, 2017.

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*Homeland Security Acquisitions: DHS Should Better Define Oversight Roles and Improve Program Reporting to Congress.* [GAO-15-292](#). Washington, D.C.: March 12, 2015.

*Homeland Security Acquisitions: DHS Could Better Manage Its Portfolio to Address Funding Gaps and Improve Communications with Congress.* [GAO-14-332](#). Washington, D.C.: April 17, 2014.

*Homeland Security: DHS Requires More Disciplined Investment Management to Help Meet Mission Needs.* [GAO-12-833](#). Washington, D.C.: September 18, 2012.

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