

Committee on Homeland Security
Subcommittee on Transportation Security

TSA Reform: Exploring Innovations in Technology Procurement to
Stimulate Job Growth

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Testimony of

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Chairman Rogers, Ranking Member Jackson Lee and members of the Subcommittee, I am pleased to testify before the Committee as it explores "Innovations in Technology Procurement to Stimulate Job Growth." Mr. Chairman, I'd like to begin by thanking you for your leadership over the years as a key member of the Homeland Committee. Since I was first standing up the acquisition function at TSA, through my time as Department of Homeland Security's Chief Procurement Officer and then Under Secretary for Management, you provided me tremendous support, and I am truly grateful.

In this time of high unemployment coupled with the debt ceiling crisis, each one of us must ask what can be done differently to contribute to economic recovery. The questions "What changes to the procurement process might stimulate job growth?" and "How can TSA improve procurement efficiency, and therefore save taxpayer dollars?" are important questions and I again thank the Committee for calling this hearing to explore answers to these critical questions.

I believe federal procurement can play a role in stimulating job growth in the United States. There are several measures that can be taken to ensure that DHS, TSA technology, and other acquisition programs maximize job growth as they meet mission needs in partnership with industry. The key is to get the funds that are appropriated to TSA for acquisition out into awarded contracts with industry partners quickly, effectively, and efficiently. There are several steps that can be taken to do this.

First, there must be the appropriate number of acquisition workforce personnel, with the appropriate skill set, to manage the acquisition programs. Now more than ever, facing flat and declining budgets, TSA must ensure that its acquisition workforce is properly positioned to manage its program. That will ensure several key features:

- The requirement will be adequately defined so industry can prepare proposals and perform most effectively. Good requirements lead to good competition.
- The request for proposals and resulting contracts can be issued and awarded quickly and without protest, so work can begin promptly and the industry partner can create and sustain jobs.
- The government's requirement will be met at the best price, with the appropriated funds not going to unnecessary overhead, but to direct work and the related jobs.
- The acquisition program will deliver what the homeland security mission needs.

There are several initiatives that will help ensure the desired results are achieved.

- The DHS acquisition Workforce and its Acquisition Professional Career Program is providing a pipeline of new acquisition professionals into the federal workforce. It is designed to provide both formal and on-the-job training and results in a well qualified federal acquisition workforce.
- The functional integration authority of the Departmental chiefs over the component functions must continue to be refined.
- A balancing of the federal and contracting workforce within DHS. There must be an appropriate balance of federal workforce and industry partners. There is no magic formula of percentage and number. The amount of federal workforce and control is dependent on the size and criticality of a program. An agency, regardless of its contractual relationship, must retain the ownership and responsibility for being a good steward of taxpayer dollars appropriated to that agency. Partnering with industry to perform the work is a key aspect of good stewardship, but accountability, at its core remains with the federal agency. Critical functions should be performed with federal employees to the extent required by the agency to maintain control of its mission. Once there are adequate federal employees to control the critical functions (mission and operations), the work can be performed by private sector contractors, creating the properly balanced workforce and private industry job stimulation.

Second, there must be strong, regular communications with industry. The Federal Acquisition Regulation provides guidelines for market research that allow extensive communications with industry. Taking maximum advantage of the communications not only makes for a better acquisition program, it also helps industry by informing its business decisions. Bid and proposal decisions are critical for industry, and costs to submit proposals for federal procurements can be very high. Communications mutually inform so both parties- the US Government and industry - so they can make the best, most precise, most efficient business decisions.

Third, acquisition strategies, budgets, and requirements must work together. The 25 Point Implementation Plan to Reform Federal Information Technology Management points out that for the technology initiatives, such as cloud computing, shared services, data centers to be effective, there must be strong acquisition management, the acquisition process must be aligned with the technology cycle, and the budget process must be aligned with the technology cycle. Industry will only partner with the federal government, and create jobs, if the business risk is appropriate. The Federal procurement system must, with industry engagement, develop acquisition strategies that deliver the technology solution with appropriately manageable financial, performance, and schedule risk.

Fourth, DHS, with TSA, must buy efficiently and effectively, thus enabling industry to operate efficiently and effectively. There are two facets to this point. The first is based around finding commonality in requirements within DHS missions and programs, and defining requirements and filling those requirements in a joint manner. DHS's Integrated Strategy for High Risk Management Implementation and Transformation, discusses the formation of Functional Coordination Offices and a Capabilities & Requirements Council among the key initiatives to increase DHS management integration. This will require a rationalization of requirements that will greatly contribute to effectiveness and efficiency in procurement. The second facet is that agencies must continue to use and grow strategic sourcing programs to procure goods and services more effectively. Strategic sourcing leverages the buying power of TSA, DHS, and the federal government.

Improved procurement not only provides economic benefit to our country in terms of effective use of tax dollars and job creation, it also helps ensure screening technologies actually make the traveling public safer. TSA must buy the right things at the right time for the right price to meet the homeland security threat, currently and as it evolves. The initial standup of TSA was focused on federalizing the airports. As it matures, TSA must find the right mix of technology, people, and systems. A risk based approach, facilitating freedom of movement of goods and people while providing adequate security for evolving threats against homeland security is a critical facet of the path forward. The approach must provide security for the present, while always anticipating and prepared to evolve to adapt to changes in threat and security technology.

Thank you for the opportunity to participate in your discussions regarding the ability of sound procurement to contribute to job growth and economic stability. I look forward to your questions.