

Testimony before the House Committee on Homeland Security's  
Subcommittee on Oversight and Management Efficiency  
Hearing  
"Making DHS More Efficient: Industry Recommendations to Improve Homeland  
Security"  
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Chairman Perry, Ranking Member Watson Coleman, and members of the Subcommittee. Thank you for allowing me to testify today. Efficiency is a great goal, one that is never completely accomplished, yet one that can have great impact on mission delivery as incremental steps are made. As DHS matures in its business and mission, it is important that it continues to examine critical areas for continued efficiency.

I served our country as a civil servant for 28 years, including the final eight at Transportation Security Administration and Department of Homeland Security headquarters, retiring as the Under Secretary for Management. As a civil servant, I understood the importance of continued efficiency to deliver the mission effectively and execute our fiduciary responsibility with taxpayer dollars. As a retired federal employee, I continue supporting DHS in its efforts to be a more efficient Department. DHS is taking initiative to improve its efficiency, and I will highlight in my testimony the some of those areas that I believe most critical.

Acquisition is a major area to address in DHS' effort to continue becoming more efficient. In acquisition, actions to increase efficiency in the Department of Homeland Security (DHS) often result in parallel efficiencies in industry. This allows industry to propose the best mission solutions at the best price. Some areas that DHS can continue to improve on include better communications overall, but specifically in the following areas:

1. Socioeconomic Strategy. DHS and its support industry could benefit from a planned strategy to meet its small business goals. A well planned strategy will ensure that the right contracts are set aside for small business participation, helping small businesses obtain contracts that will benefit them more in their growth, rather than just managing a subcontractor team. Planning will also help businesses prepare for upcoming new requirements and recompetitions. Early, clear communication about the strategy will help small businesses target their very scarce proposal resources toward opportunities with the highest win probability. And those same early, clear communications will help large businesses make decisions and avoid investments in preparing for acquisitions that will be set aside for small business.

2. **Market Research.** DHS can enhance improve acquisition efficiency by conducting more market research earlier in the acquisition process. When industry knows what requirements may be coming in the future, and knows what the DHS mission priorities are, industry can best allocate its investment dollars to build capabilities to meet DHS needs. Better investment reduces both technology and performance risk, and drives down contract cost and shortens schedule.
3. **Published Acquisition Schedules.** DHS should more routinely publish schedules with dates for acquisition programs and contracts, and update those schedules regularly. Usually synopsis notices and draft or final request for proposals are posted in Federal Business Opportunities. When industry sees those dates, it begins assembling and mobilizing proposal teams. It also begins hiring key personnel. Often those dates slip and aren't updated. That forces industry to make decisions about holding teams, or dismissing them. That increases overhead, which in turn increases the labor rate government pays for its services. Better communications will provide critical information for industry to act efficiently in supporting DHS.
4. **Good Source Selection.** Requests for proposals and quotations must be clear and accurate in both the requirements and the source selection plan. The solicitation document must clearly state what the requirement is, especially in a fixed price contract. Without that, there is increased risk on the contractor, and industry must reflect that risk in higher prices. That is especially true on fixed price contracts. Additionally, the solicitation document must clearly state how the proposal will be evaluated and rate according to the stated criteria. When the proposal states that technical is much more important than price, and that innovation is desired, industry will design its proposal around that criteria. Yet often award is to the lowest price offer due to budget and other concerns. If that is the case, the solicitation should align with the strategy and accurately inform industry so it can accurately structure its proposal. And that results in the best price and efficient performance of the contract requirements.

Effective and efficient mission delivery requires a good DHS workforce. A critical area for continued efficiency is workforce management. This includes recruitment, hiring and retention. DHS would benefit from focused efforts improve the DHS workforce and therefore improve mission efficiency. Some initiatives to drive efficiency include:

1. Make better use special personnel flexibilities for recruiting, hiring, and retaining critical talent, including members of the acquisition, intelligence, and cyber workforce. DHS has the authority to establish 'Excepted Service' for certain components, and this help them more efficiently compete for and retain critical employees. This is especially true in competing for talent with DOD and the intelligence community, as well as private industry.
2. Institute DHS Civilian Joint Duty assignments. This will help build a DHS senior workforce that will drive an integrated mission and improve DHS efficiency. This concept was approved by Secretary Johnson in June, and implementing it quickly would be very beneficial to the workforce and result in joint mission efficiencies.
3. Prepare the workforce for Presidential Transition. This will position DHS to efficiently delivery mission as the country and Department transition to a new Administration. Key steps that DHS can take now include succession planning and operational exercises.

4. Develop a Workplace Plan. Elements of the plan should include:
  - a. Specific action and milestone for dealing with the lingering employee morale issue
  - b. Workforce measures and analytics for key areas such as morale, staffing levels, performance management
  - c. DHS Workforce of the Future modeling
  - d. Talent Management Strategy, including: recruiting, staffing, developing, performance management and retaining talent

Along with workforce management, DHS must also address its security clearance, suitability and onboarding processes for both its own and contractor employees. The long lead times, duplicity between the clearance and suitability processes, and lack of reciprocity between DHS components is very costly both in terms of time and cost of investigations. Additionally, it delays the time that employees can report to work, further degrading the efficiency of offices waiting for key staff and contractor support.

Another area where DHS can continue to improve its efficiencies is through Secretary Johnson's Unity of Effort, especially the Joint Requirements Council. This is important for several reasons. First, the Senior Leadership Council (SLC) and Deputies Management Action Group (DMAG) are setting the tone for the Department. That tone is one that respects each operating component's individual mission areas, but also drives integration and joint focus on the DHS mission set. Second, the need to continue to make "back office" functions more efficient is an imperative. DHS cannot sustain an expensive support structure and effectively meet its current mission obligations. It must continue to reduce overhead in key areas such as duplicative information technology systems, facilities and related support services, and acquisition, operation, and sustainment of key DHS mission assets and systems.

Thank you for the opportunity to testify. I look forward to your questions.