

Statement of

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Subcommittee on Transportation Security**

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Good afternoon Chairman Hudson, Ranking Member Richmond, and distinguished Members of the Subcommittee. Thank you for the opportunity to testify today about the Transportation Security Administration's (TSA) acquisition and procurement policies and practices.

The TSA Office of Acquisition's (OA) mission is to enhance TSA's capabilities to protect the Nation's transportation systems by providing effective and efficient acquisition and procurement services. OA plays a critical role in supporting TSA's counterterrorism efforts as the agency works to expand and improve our risk-based, intelligence-driven security approach across all modes of transportation. We do this by managing programs through all phases of the Acquisition Life Cycle to ensure that they are planned and executed properly to accomplish

outcomes on time and within budget. OA also develops procurement instruments that use business strategies that maximize value for the agency. In addition, we provide contract oversight while managing our vendor relationships to ensure that TSA gets the intended return on investment for procurement dollars spent.

To fulfill its security responsibilities for deploying and operating state-of-the-art security technology at over 450 airports across the Nation, TSA must be able to rapidly deploy technology to respond to changing threat information, or to have equipment ready to deploy when airport facilities are changed to accommodate the equipment. In the first two quarters of Fiscal Year (FY) 2013, TSA executed a total of 1,776 contract actions exceeding \$681 million in support of all TSA contract requirements. To ensure we continue to act as responsible stewards of taxpayer dollars, we are developing, implementing and reporting acquisition metrics that coincide with TSA's mission and vision as well as fully and adequately testing emerging technologies to ensure we are deploying and relying upon the best technologies available to protect transportation systems and travelers.

Collaboration within the Department of Homeland Security (DHS)

TSA completes acquisition and procurement measures in close coordination with DHS acquisition related organizations. This includes a robust test and evaluation capability that is utilized on screening equipment and encompasses the range of the systems' engineering lifecycle from developmental to operational test and evaluation (T&E). The TSA T&E program, which is conducted by the Operational Test Agent and approved by DHS through appropriate Test and Evaluation Master Plans, provides key insights into capabilities and limitations of all tested systems and technologies. Additionally, TSA is developing a test and evaluation guide that

defines the process for vendors and explores the use of third parties to conduct vendor readiness testing to mature systems. TSA is working with the DHS Science and Technology Directorate (S&T) to conduct market research and analysis in this area and we anticipate that the guide will be ready for release in the summer.

DHS uses strategic sourcing initiatives to leverage the purchasing power of the entire Department for a variety of items including screening technology. While TSA continues to utilize existing DHS strategic sourcing vehicles, we have also been designated the Executive Agent/Contracting Activity for security screening equipment that can be utilized by other DHS components. By consolidating the Department's spending into a single vehicle, DHS expects savings in terms of acquisition process as well as in actual procurement costs.

Testing Innovation

TSA believes that by its supporting and identifying third party testing capabilities and by providing the Original Equipment Manufacturers (OEMs) and potential testers, such as universities and laboratories, with the applicable TSA requirements and testing documentation specific to the systems under development, the OEMs will submit more mature systems to TSA for qualification testing. In December 2012, TSA issued a Request for Information (RFI) to solicit input from security equipment testing entities regarding their capabilities to perform developmental test and evaluation of Transportation Security Equipment (TSE) and to provide this information to OEMs, vendors that originally manufactured the equipment. In an effort to expedite the testing, acquisition, and deployment of qualified systems, TSA promotes the establishment of preliminary system development gateways by identifying capable third party testing facilities. The purpose of creating these gateways is to assist OEMs in developing more

mature systems prior to entering the formal TSA test and evaluation process. This allows OEMs to assess their systems against TSA requirements, enhance and mature their technology readiness, and subsequently reduce the time required to proceed through each phase of TSA testing.

Industry Engagement

Partnerships and industry engagement are important drivers of innovation at TSA, and OA plays an important role in supporting TSA's efforts to work with the private sector to develop and deploy innovative and effective screening capabilities across the Nation's transportation systems.

In December 2011, TSA executed a Memorandum of Understanding (MOU) with the Washington Homeland Security Roundtable (WHSR), a non-profit group comprised of companies that are actively engaged in homeland security issues. This MOU established a framework for an ongoing dialogue between TSA representatives and WHSR members concerning security innovations. In February 2013, TSA and WHSR announced the creation of the Industry Engagement Group, which provides private sector companies and organizations with opportunities to work with TSA at an enterprise level. This group will not discuss specific acquisitions or TSA programs, but rather focuses on identifying methods and processes by which TSA can effectively engage with industry on matters related to acquisition. The WHSR has also established a TSA Contracting/Acquisition Policy Focus Group. This group gathers participants' input on policies, regulations and current practices to drive the content and costs of the contracting process so as to increase effectiveness and efficiency.

Additional industry engagement activities include TSA participation in monthly discussions with the Security Manufacturers Coalition regarding future programmatic direction, challenges, and interests. This group was created by the security technology manufacturers themselves, and the members must be active vendors of DHS security technology. TSA also interacts with the Airport Consultants Council (ACC), which is involved in the development and operations of airports and related facilities. TSA participates in an annual Technology Day with ACC and receives input from the organization regarding TSA processes and planning.

TSA also recognizes that small businesses are of vital importance to the economic strength of the country. Each year, TSA hosts the Small Business Fair, which provides an opportunity for a range of vendors to discuss their products while also learning more about TSA's acquisition requirements. We also contribute to vendor outreach events across the country through field office participation. In FY 2012, TSA obligated \$289 million to small businesses in over 2,000 contract actions; additionally, TSA exceeded its Small Disadvantaged and Service Disabled Veteran-Owned Small Business Goals.

Conclusion

Acquisition operations and policy play a crucial role in helping TSA and DHS S&T implement an intelligence-driven, risk-based approach to security across all transportation modes while implementing operational and management efficiencies across the organization. As we strive to continue strengthening transportation security and improving, whenever possible, the overall travel experience for all Americans, we must always remember that our success is defined by our people. Whether it is for business or for pleasure, the freedom to travel from place to place is fundamental to our way of life, and to do so securely is a goal to which

everyone at TSA and DHS S&T is fully committed. Thank you for the opportunity to appear before you today and I look forward to answering your questions.