



“DHS has initiated ***broad oversight*** efforts to ***improve*** its ***procurement of goods and services*** as well as specific initiatives to ***reduce procurement costs***... The Chief Procurement Officer’s Strategic Plan for Fiscal Year 2012 to 2014 highlights these efforts and other priorities for improving procurement operations...”

—U.S. Government Accountability Office (GAO)
report number GAO-12-947, September 10, 2012

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01

MESSAGE FROM THE CHIEF PROCUREMENT OFFICER



Dear DHS Procurement Professionals and Acquisition Stakeholders,

As the Department of Homeland Security (DHS) Chief Procurement Officer (CPO), I am pleased to present the Annual Progress Report for Fiscal Year (FY) 2012 to you—the 1,442 contracting professionals as well as all acquisition stakeholders. This report serves as an update to our Strategic Plan for FY 2012 to 2014.

The Annual Progress Report serves **two primary purposes:**

- 1. To share the collective, high-level FY 2012 accomplishments of the DHS procurement community**
- 2. To provide you direction on our FY 2013 Procurement Priorities, Objectives, Initiatives, and Metrics.**

In FY 2012, the DHS procurement community bought \$17.1B in goods and services directly linked to the DHS missions—to prevent terrorism and enhance security, secure and manage our borders, enforce and administer our immigration laws, safeguard and secure cyberspace, and ensure resilience to disasters—all which provide essential support to national and economic security.

As we move through FY 2013, I want to thank you for your outstanding public service in buying things to protect the United States at the least cost to the American taxpayer.

I hope you enjoy reading the Annual Progress Report and I look forward to working with each of you in FY 2013.



Nick Nayak, PhD

Department of Homeland Security
Chief Procurement Officer

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FY 2012 DHS PROCUREMENT WORKFORCE ACCOMPLISHMENTS AT A GLANCE

MISSION

SUPPORTING MISSION TO PROTECT THE HOMELAND

Awarded **\$17.1 billion** through over **99,000** buying transactions to protect the Homeland.

JOBS

HELPING AMERICAN SMALL BUSINESSES

Earned an **"A"** from the Small Business Administration, and the only agency of the top seven federal spenders to achieve an **"A"** for three consecutive years.

BUSINESS

REACHING OUT TO NEW AMERICAN BUSINESSES

Awarded contracts to more than **3,000** American companies who were first-time DHS contractors.

SAVINGS

GETTING THE BEST VALUE

Saved **\$386 million** through leveraging buying power—Strategic Sourcing.

WORLD-CLASS

TRAINING THE DHS ACQUISITION WORKFORCE

Trained **6,085** acquisition personnel with **215** highly rated formal training classes through the newly established Homeland Security Acquisition Institute (HSAI).

ACCURACY

ENSURING TRANSPARENCY TO AMERICAN TAXPAYERS

Achieved **93%** Federal Procurement Data System (FPDS) data accuracy, one of the highest among the top spending federal agencies.

AMERICAN

CONNECTING WITH AMERICAN BUSINESSES

Awarded contracts to over **14,000** large, medium, and small American companies.

FAIRNESS

ENSURING FAIRNESS IN THE BUYING PROCESS

Experienced only **0.25%** contract awards protested and **4%** of those sustained compared to a government-wide sustainment rate of **18.6%**.

VETERANS

HELPING VETERANS

Awarded **\$880 million** in contracts to veteran-owned small businesses, including **\$684 million** to service-disabled veterans.

WOMEN

HELPING WOMEN

Awarded **\$820 million** in contracts and received the Francis Perkins Vanguard Award from the Small Business Administration three times for promoting Women-Owned Small Businesses.

SERVICE

ACHIEVING STRONG CUSTOMER SATISFACTION

Engaged over **5,800** customers in the first-ever DHS-wide procurement survey, which reported a solid level of **customer satisfaction** within a challenging environment.

GOOD DEALS

GETTING A GOOD DEAL FOR THE AMERICAN TAXPAYER

Competed **72.3%** of contract dollars awarded, exceeding the government-wide average of **63%**.

MINORITIES

HELPING MINORITIES

Awarded **\$1.7 billion** in contracts to African American, Hispanic, Native American, Asian Pacific, and Subcontinent Asian owned small businesses, including **\$762 million** in awards under the 8(a) program.

ECONOMY

HELPING THE ECONOMICALLY DISTRESSED

Awarded **\$389 million** in contracts to American small businesses located in Historically Underutilized Business Zones (HUBZone)—represents the second highest award total among federal agencies.

GREEN

PROMOTING GREEN PURCHASING

Continued to be a leader in sustainable acquisition with **98%** of our procurements being environmentally preferable products and services for the second year in a row.

STRENGTH

ACHIEVING HIGH-LEVEL OF EMPLOYEE SATISFACTION

Procurement **employee satisfaction** recognized as a strength in annual survey.

03

UPDATED LEADERSHIP ENDORSEMENTS

OFFICE OF THE CHIEF PROCUREMENT OFFICER



NICK NAYAK
CHIEF PROCUREMENT OFFICER



ASHLEY LEWIS
DIRECTOR, POLICY AND
ACQUISITION WORKFORCE



DANIEL MCLAUGHLIN
DIRECTOR, OFFICE OF PROCUREMENT
OPERATIONS (HCA)



DANIEL CLEVER
DEPUTY CHIEF
PROCUREMENT OFFICER



KEVIN BOSHEARS
DIRECTOR, OFFICE OF SMALL AND
DISADVANTAGED BUSINESS UTILIZATION



DENNIS SMILEY
DIRECTOR, OFFICE OF PROCUREMENT
OPERATIONS (ENTERPRISE ACQUISITION
AND INFORMATION TECHNOLOGY)



ANNE TERRY
DIRECTOR, PROCUREMENT
POLICY AND OVERSIGHT



TIM SHAUGHNESSY
SENIOR TECHNICAL ADVISOR



DAVID DASHER
DIRECTOR, OFFICE OF SELECTIVE
ACQUISITIONS (HCA)



ROBERT NAMEJKO
PROCUREMENT INDUSTRY LIAISON



JOSE ARRIETA
PROCUREMENT OMBUDSMAN

COMPONENT HEADS OF CONTRACTING ACTIVITY (HCAs)



KAREN SHELTON WATERS
TRANSPORTATION SECURITY
ADMINISTRATION



RICHARD GUNDERSON
CUSTOMS AND BORDER
PROTECTION



WILLIAM RANDOLPH
IMMIGRATION AND CUSTOMS
ENFORCEMENT



KELLY CURTIN
UNITED STATES
SECRET SERVICE



CLAIRE GRADY
UNITED STATES
COAST GUARD



FRANK SPAMPINATO
FEDERAL EMERGENCY
MANAGEMENT AGENCY



RICHARD FORMELLA
FEDERAL LAW ENFORCEMENT
TRAINING CENTER



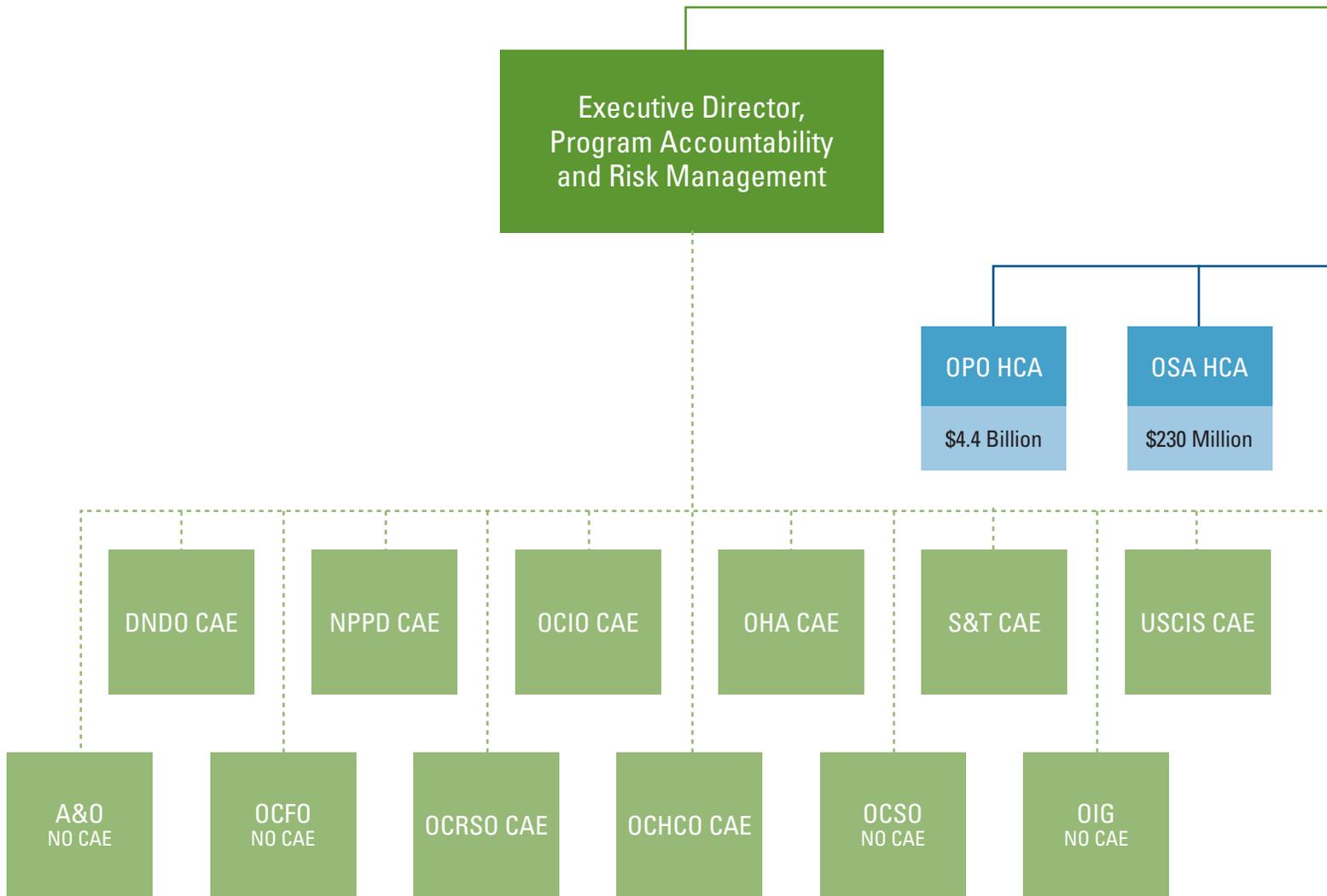
DAVID DASHER
DHS HEADQUARTERS, OFFICE OF
SELECTIVE ACQUISITIONS



DANIEL MCLAUGHLIN
DHS HEADQUARTERS, OFFICE OF
PROCUREMENT OPERATIONS

04

UPDATED PROCUREMENT AND ACQUISITION STRUCTURE



Secretary

Deputy Secretary
(Chief Operating Officer)

Under Secretary for Management
(Chief Acquisition Officer)

Awarded **\$17.1B** in FY 2012 through
over **99,000** transactions

Chief Procurement Officer

USCG HCA

\$3.1 Billion

TSA HCA

\$2.9 Billion

CBP HCA

\$2.3 Billion

ICE HCA

\$2.2 Billion

FEMA HCA

\$1.4 Billion

USSS HCA

\$220 Million

FLETC HCA

\$196 Million

USCG CAE

TSA CAE

CBP CAE

ICE CAE

FEMA CAE

USSS CAE

FLETC
NO CAE

ACRONYM KEY

A&O—Analysis and Operations

CAE—Component Acquisition Executive

CBP—Customs and Border Protection

DNDO—Domestic Nuclear Detection Office

FEMA—Federal Emergency Management Agency

FLETC—Federal Law Enforcement Training Center

HCA—Head of Contracting Activity

ICE—Immigration and Customs Enforcement

NPPD—National Protection and Programs Directorate

OCFO—Office of the Chief Financial Officer

OCHCO—Office of the Chief Human Capital Officer

OCIO—Office of the Chief Information Officer

OCRSO—Office of the Chief Readiness Support Officer

OCSO—Office of the Chief Security Officer

OHA—Office of Health Affairs

OIG—Office of Inspector General

OPO—Office of Procurement Operations

OSA—Office of Selective Acquisitions

S&T—Science and Technology Directorate

TSA—Transportation Security Administration

USCG—United States Coast Guard

USCIS—United States Citizenship and Immigration Services

USSS—United States Secret Service

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UPDATED PROCUREMENT AND ACQUISITION CHALLENGES

The overarching goal for the DHS procurement workforce is to continue buying supplies and services to protect the United States at the least cost to the American taxpayer, in an increasingly challenging environment. The risks associated with each challenge below will be mitigated through the FY 2013 Procurement Priorities, Objectives, Initiatives, and Metrics.

1 PROVIDING INCREASINGLY EFFECTIVE AND EFFICIENT PROCUREMENT OPERATIONS UNDER FLAT OR DECREASING BUDGETS

The budget outlook across the Federal Government over the next few years will continue to challenge our ability to meet mission demand with existing and planned resources. In FY 2012, we learned that fiscal restraint does not automatically reduce the work required to support the DHS procurement mission. While our overall spend was down in FY 2012 from FY 2011, total workload through sheer transactions remained constant, while our program support efforts increased. Multiple continuing resolutions and possible Congressional actions associated with deficit reduction will present a tremendous level of uncertainty. In the 2012 Acquisition Policy Survey, the Professional Services Council postured that, “Acquisition officials will continue to be challenged to support the federal buyer and mission executives in making strategic choices in a resources-constrained environment.” The overall DHS budget will require an increased focus on contracting efficiencies and effectiveness across all facets of the procurement lifecycle—from acquisition planning to contract closeout.

2 MAINTAINING AND GROWING HUMAN CAPITAL WITHIN THE TOP “IN-DEMAND” ACQUISITION AND CONTRACTING CAREER FIELD

Acquisition leaders across the Federal Government continue to express significant concerns about the state, readiness, size, and support for the acquisition workforce. Acquisition resources, including procurement personnel, continue to be in short supply, and the market for these skill sets has driven stiff competition among agencies for limited available talent. This strain has led to the high demand for contracting and acquisition professionals across both government and private sectors. The fact that an increasing proportion of the DHS procurement workforce is retirement eligible (36 percent in 2014) further exacerbates this challenge. If this loss of experienced contracting workforce is not addressed through a significant increase in personnel, training, and professional development, DHS will be challenged to provide top-notch operational support to Components. In FY 2013, making our workforce “smarter, faster” will be one of our primary challenges.

3 PROVIDING EFFECTIVE ACQUISITION SUPPORT ACROSS THE “ONE DHS” ENTERPRISE

Maintaining effective contracting operations and acquisition management requires continual support and reinforcement. Program support includes initiatives such as customer relationship management, procurement systems support, performance monitoring and metric assessment, acquisition professional training and certification, and executive leadership development. Acquisition policies, promulgated through the Homeland Security Acquisition Regulation (HSAR) and Homeland Security Acquisition Manual (HSAM), create standard processes across DHS to efficiently guide our programs through the procurement process. Program support must be constantly assessed and invigorated with human resources and capital outlays in order to ensure that the contracting and acquisition operations are executed with efficiency and effectiveness.

4 IMPLEMENTING AND FACILITATING EFFECTIVE DIALOGUES AMONG PUBLIC AND PRIVATE HOMELAND SECURITY STAKEHOLDERS

The process of defining and meeting DHS mission needs in a clear and achievable manner requires thoughtful engagement of the private sector and homeland security thought leaders well in advance of any particular procurement action. This engagement must encourage and allow for the transparent exchange of mid- to long-range performance and technology needs together with private sector research and product development plans. This process must be seamlessly linked and in regulatory accord with the procurement process. Failure to achieve this exchange will often lead to protracted acquisition schedules that ultimately fail to provide for maximum industry engagement and DHS mission success. In FY 2013, we will expand current initiatives and introduce new initiatives to strengthen our stakeholder engagement.

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FY 2013 PROCUREMENT PRIORITIES, OBJECTIVES, INITIATIVES, AND METRICS

This section describes changes to the FY 2012-2014 CPO Strategic Plan (initiatives and metrics). These changes are a result of review and/or input by the CPO leadership team, HCAs/procurement workforce, DHS Secretary's office, Chief Acquisition Officer, Component Acquisition Executives, Program Accountability and Risk Management (PARM), Office of Management and Budget (OMB), Congress, U.S. Government Accountability Office (GAO)/DHS Office of Inspector General (OIG), and industry. The updated Strategic Plan for FY 2013 continues to have four priorities and seven objectives. However, the initiatives have been reduced from 30 to 27, and the metrics have decreased from 66 to 61, only 12 of which require Contracting Activities (CAs) to provide data. The strategy is organized into the following segments:

PRIORITIES

Priorities outline the areas that most critically impact the Office of the Chief Procurement Officer's (OCPO) and the CA's ability to achieve their mission to effectively deliver mission capability through the contracting of critical supplies and services. The CPO's four priorities are:

PRIORITY 1 **QUALITY CONTRACTING**

PRIORITY 2 **QUALITY PEOPLE**

PRIORITY 3 **QUALITY PROGRAM SUPPORT**

PRIORITY 4 **QUALITY INDUSTRY-GOVERNMENT COMMUNICATION**

OBJECTIVES

Objectives serve as the link between the priorities and initiatives. Several initiatives grouped together demonstrate how OCPO will achieve progress in a broader objective or purpose. Several objectives grouped together demonstrate how OCPO will achieve progress in its priorities.

INITIATIVES

Initiatives outline the most specific, detailed strategies OCPO will implement to fulfill the objectives and priorities. All of the initiatives link to one or more performance metrics that the CPO and HCAs will use to monitor progress toward improving and maintaining performance. The discussion of each initiative below demonstrates why the particular initiative is important and which officials are primarily responsible for implementing the initiative.

METRICS

Each initiative identifies at least one objective metric that will be used to analyze the CPO's and CAs' progress in implementing the initiatives. The FY 2012–2014 CPO Strategic Plan and this Annual Progress Report broadly outline the metrics; however, a detailed discussion on the calculation method and goals for the fiscal year will be conducted on an annual basis. OCPO plans to analyze metrics as follows:

1. A goal will be established for a metric and the OCPO division's or CA's performance will be measured alongside the goal, or
2. A goal will not be established and the OCPO division's or CA's performance will be analyzed by reviewing whether the performance trend is steady, positive, or negative.

Selected initiatives and performance metrics that were included in the Strategic Plan have been removed in this Annual Progress Report and are being incorporated in the DHS Procurement Enterprise Reporting Application (ERA). Examples of initiatives that have been removed include: Maintain Small Business Outreach, Maintain Timeliness in Finalizing Undefined Contracts, and Resolve Open Claims in a Timely Manner. The metrics for these initiatives will be maintained and reported in the Operational Status Report (OSR) to the CPO on a quarterly basis as well as the biannual HCA Performance Assessments. Our goal is to ensure greater focus on truly strategic initiatives and metrics and monitor operationally-centered initiatives separately.

PRIORITY 1 QUALITY CONTRACTING

Quality contracting is essential to the CAs' ability to effectively procure critical supplies and services on behalf of their DHS customers. They are accountable to both their customers and taxpayers for procuring these supplies and services in a responsible manner by promoting sound business practices and decisions and complying with federal statutes and regulations.

OBJECTIVE 1.1: FISCAL RESPONSIBILITY

It is the duty of all procurement acquisition professionals to spend taxpayers' dollars in a conscientious manner. To gain taxpayers' trust, they must procure supplies and services at fair and reasonable prices and through efficient processes. The following are initiatives that OCPO and the CAs will implement in support of fiscal responsibility:

INITIATIVE 1.1.1: ENHANCE COMPETITION

Competition provides the best assurance that the Department is paying a fair and reasonable price, thereby increasing the quality of our business deals. Competitive procurements generally yield a wider variety of proposed solutions for specific DHS mission requirements. Early and open engagement with industry increases the transparency of competitive awards and not only results in a better deal at a fair price, but also increases industry and congressional confidence in the fairness of the process.

Responsible Officials

- DHS Competition Advocate
- Policy and Acquisition Workforce Director
- Component Competition Advocates
- Heads of Contracting Activity

Performance Metric

- Competition Rate

INITIATIVE 1.1.2: REDUCE HIGH-RISK CONTRACTS

In FY 2010, OMB's Office of Federal Procurement Policy (OFPP) implemented a government-wide initiative that directed agencies to reduce its share of dollars obligated through new contracts that are awarded: (1) noncompetitively, (2) after a competition that received only one bid or proposal, (3) using a time-and-materials or labor-hour contract, and (4) using a cost-reimbursement contract. This initiative continues into FY 2013, as OFPP and DHS seek further opportunities to reduce high-risk contracts.

Responsible Officials

- Policy and Acquisition Workforce Director
- Heads of Contracting Activity

Performance Metrics

- Noncompetitive Contract Rate
- One-Bid Contract Rate
- Time-and-Materials and Labor-Hour Contract Type Rate
- Cost Reimbursement Contract Type Rate
- Total High-Risk Rate

“**Competition** in DHS contract obligations has been **on the rise** since 2007... Since 2007, the **largest competition** category of DHS contracts (between 34 and 51 percent) was contracts awarded after a competitive solicitation that received **multiple offers**. Both total dollars and the share of DHS contracts awarded under competition with multiple offers **increased significantly** in 2010 and continued to increase in 2011, **rising to a 51 percent** share of overall DHS contract obligations. For the 2008–2011 period, competition with **multiple offers increased** at a 13.4 percent annual growth rate.”

— Center for Strategic and International Studies, U.S. Department of Homeland Security Contract Spending and the Supporting Industrial Base (2004–2011, November 2012)

INITIATIVE 1.1.3: INCREASE STRATEGIC SOURCING

Strategic sourcing is the collaborative and structured process of critically analyzing an organization’s spend and utilizing this information to make better business decisions about acquiring supplies and services more effectively and efficiently. Strategic sourcing helps the Department:

- Optimize Performance
- Minimize Prices
- Increase Achievement of Socio-Economic Acquisition Goals
- Improve Vendor Access to Business Opportunities
- Improve Customer Support within the Department
- Enhance Requirements Management
- Increase the Value of Each Dollar Spent

Strategic sourcing also furthers the creation of “One DHS” by standardizing procurement vehicles and ordering procedures for similar supplies and services across the Department.

Responsible Officials

- Oversight and Strategic Support Director
- Heads of Contracting Activity

Performance Metrics

- Strategic Sourcing Savings
- Strategic Sourcing Utilization Rate

INITIATIVE 1.1.4: IMPROVE SERVICE CONTRACTING

Approximately 78 percent of DHS contracts are awarded for services. The CAs assist Components in ensuring that management support service contracts are not awarded for inherently governmental or unauthorized personal services; that special management attention is given to closely associated with inherently governmental activities and critical functions; and that there are sufficient federal personnel in the Components to award and administer service contracts.

Another important consideration for service contracting is to establish performance-based contracts to the maximum extent possible. Performance-based service contracts define the expected results to be achieved from a procurement and incorporate metrics to measure performance, but do not direct or prescribe how the effort is to be performed.

Responsible Officials

- Policy and Acquisition Workforce Director
- Heads of Contracting Activity

Performance Metric

- Performance-Based Service Contracting Rate

INITIATIVE 1.1.5: IMPROVE ACQUISITION PLANNING

Acquisition plans serve as mechanisms to review, approve and document acquisition decisions and create a road map for the implementation of those decisions. Acquisition plans are precisely that, “a plan,” and thus, they can be amended as required. However, when an acquisition plan is hurriedly pushed through a review process or poorly written, the chances of a quality business deal and successful contract performance are diminished.

Continued enhancements to the Acquisition Planning Forecast System (APFS) will provide for a more robust planning and reporting tool. During FY 2013, DHS will augment APFS so firm-fixed-price streamlined acquisition plans may be created electronically. This will eliminate duplicative data entry that also supports DHS’s forecast of procurement opportunities.

Responsible Officials

- Policy and Acquisition Workforce Director
- Oversight and Strategic Support Director
- Heads of Contracting Activity

Performance Metric

- Number of Acquisition Plans Entered into APFS

INITIATIVE 1.1.6: INCREASE GREEN PURCHASING

Executive Orders (EO) 13514 Federal Leadership in Environmental, Energy, and Economic Performance and EO 13423 Strengthening Federal Environmental, Energy, and Transportation Management include goals and objectives that require federal agencies to leverage agency acquisitions to foster markets for sustainable technologies, materials, products, and services. In FY 2013, DHS must strive to increase the procurement of bio-based products to meet or exceed the 95 percent sustainable purchasing rate established under the EO.

Responsible Officials

- Policy and Acquisition Workforce Director
- Heads of Contracting Activity

Performance Metric

- Sustainable Purchasing Rate

INITIATIVE 1.1.7: REDUCE SUSTAINED PROTESTS AND CORRECTIVE ACTIONS

Protests are one of many ways that contractors can raise concerns or objections with the government’s compliance with procurement statutes or regulations, or the actual conduct of an acquisition. While an obvious goal of all government contracting offices is to reduce or avoid protests, it is important for OCPO and CAs to review and analyze several facets of protests to serve as a continuous improvement tool for mitigating both the number of protests filed and the number of protests sustained or requiring corrective action. Protests increase the cost of conducting an acquisition and create additional procurement lead time, regardless of the eventual disposition. Although OCPO and CAs cannot prevent protests, they can reduce the probability of protests being filed with DHS, GAO, or the U.S. Court of Federal Claims (COFC) by successfully implementing other initiatives discussed within this plan, to include improving acquisition planning and increasing vendor communication. In FY 2013, OCPO will begin to monitor the GAO Effectiveness Rate as a new metric. The GAO Effectiveness Rate measures the rate at which protesters obtain some form of relief from an agency, both from protests that are withdrawn pending corrective action and protests that are formally sustained by GAO.

Responsible Officials

- Policy and Acquisition Workforce Director
- Oversight and Strategic Support Director
- Heads of Contracting Activity

Performance Metrics

- Percent of Awards Protested to GAO and COFC
- Sustained GAO/COFC Protest Rate Based on Total Decided
- GAO Effectiveness Rate

“We believe that **Under Secretary Borrás** and **Dr. Nayak** have clearly demonstrated their **commitment** to assuring that the **innovation** of **small companies** is constantly applied to the **homeland security mission**... We believe that the **leadership of DHS** has recognized that we must **have a mechanism** to **infuse** our current system with **new ideas**, cutting edge technologies and **actual solutions** -- and **small businesses** are the source of that.”

—Kristina Tanasichuk, CEO, Government Technology Services Council

OBJECTIVE 1.2: SMALL BUSINESS

It is the government’s policy to provide maximum practicable opportunities in its acquisitions to small businesses to include small disadvantaged, 8(a), veteran-owned, service-disabled veteran-owned, women-owned, and HUBZone small business concerns. Such small businesses must also have the maximum practicable opportunity to participate as subcontractors in the contracts awarded by the Department. The following are initiatives that OCPO and CAs will implement in support of small businesses:

INITIATIVE 1.2.1: MEET OR EXCEED SMALL BUSINESS GOALS

The Small Business Administration (SBA) is responsible for the management and oversight of the small business procurement process across the Federal Government. SBA negotiates small business prime contracting goals with federal departments to ensure that small businesses have the maximum practicable opportunity to provide supplies and services to the Federal Government. OCPO negotiates goals with SBA every two years for its small business awards in the following categories:

- Total Small Business
- Small Disadvantaged Business (SDB)
- 8(a) Small Business
- Service-Disabled Veteran-Owned Small Business (SDVOSB)
- Women-Owned Small Business (WOSB)
- HUBZone Small Business

Additionally, in order to increase the overall amount of contract obligations to small businesses under the Simplified Acquisition Threshold (SAT), OFPP has developed an initiative and established goals for agencies in FY 2013, based on their total small business achievements in FY 2012. Specifically, DHS’s goal is to increase small business total dollar obligations under the SAT by 10 percent.

Responsible Officials

- Office of Small and Disadvantaged Business Utilization Director
- Heads of Contracting Activity

Performance Metrics

- Percent of Contracts Awarded to Small Businesses
- Percent of Contracts Awarded to Overall SDB
- Percent of Contracts Awarded to 8(a) Small Businesses
- Percent of Contracts Awarded to Non-8(a) SDB
- Percent of Contracts Awarded to SDVOSB
- Percent of Contracts Awarded to WOSB
- Percent of Contracts Awarded to HUBZone Small Businesses
- Percent of Contracts Awarded to Small Businesses through Indefinite-Delivery Indefinite-Quantity Contracts and Multiple Award Schedules
- Percent Increase in Small Business Awards Under the SAT

OBJECTIVE 1.3: CONTRACT ADMINISTRATION

Ensuring the Department's contracts are successful requires DHS's contracting officers and specialists to provide guidance to their acquisition colleagues throughout the procurement process. The job does not end when the contract is awarded and signed—contracting professionals must be involved and active during contract administration through closeout. Contracts are successful when the contractors deliver supplies and services that meet all the performance requirements, are on time, of the requisite quality, and within the negotiated cost or price. The following are initiatives OCPO and the CAs will implement in support of contract administration:

INITIATIVE 1.3.1: IMPROVE QUALITY AND TIMELINESS OF PERFORMANCE EVALUATIONS

Evaluation of past performance is the most effective way for federal agencies to identify high-quality contractors and avoid awarding contracts to poorly performing vendors. It is also an effective tool to motivate contractors to perform at the highest level and, when executed during the life of the contract, can provide feedback to contractors on their performance. It is critical that performance evaluations are entered into the Contractor Performance Assessment Reporting System (CPARS) in a timely, substantive, and accurate manner.

In FY 2013, OFPP implemented a government-wide initiative to improve the quality and quantity of the information available in the Past Performance Information Retrieval System (PPIRS). The goal of this initiative is to increase the value of contractor performance assessments and the transparency of contractor business integrity data to ensure the government builds supplier relationships with responsible business partners. To support the OFPP initiative, DHS is required to establish a compliance baseline, set quarterly targets, and post past performance guidance, best practices, and improvement strategies. In addition, DHS will report progress toward quarterly and annual performance targets through the PPIRS compliance rate.

Responsible Officials

- Policy and Acquisition Workforce Director
- Oversight and Strategic Support Director
- Heads of Contracting Activity

Performance Metric

- PPIRS Compliance Rate

INITIATIVE 1.3.2: IMPROVE FEDERAL PROCUREMENT DATA QUALITY

Complete, accurate, and timely federal procurement data is essential for ensuring that the Federal Government has the right information when planning and awarding contracts and that the public has reliable data to track how its tax dollars are spent. The quality of this information depends on the Department having strong internal controls for the input and validation of data entered into the FPDS.

Responsible Officials

- Oversight and Strategic Support Director
- Heads of Contracting Activity

Performance Metric

- FPDS Annual Certification Rate

INITIATIVE 1.3.3: MAINTAIN STRONG RELATIONSHIP WITH OVERSIGHT ORGANIZATIONS

The DHS OIG and the GAO play important roles by providing DHS with insight into procurement matters, including recommendations for improvement. It is therefore imperative that OCPO have a strong working relationship with the DHS OIG and the GAO. This includes maintaining open communications on all ongoing reviews, as well as resolving any recommendations in a timely manner. This increases the probability that the data and recommendations included in DHS OIG and GAO reports are timely and accurate. It also requires that OCPO and CAs take prompt action on findings and recommendations, thereby ensuring improvements are quickly implemented.

Responsible Official

- Oversight and Strategic Support Director
- Heads of Contracting Activity

Performance Metric

- OIG/GAO Recommendations Open > 2 Years

“*The Department of Defense (DOD)*, which purchases over \$300 billion in goods and services annually, used the strategic sourcing program for just **six percent** of orders. *The Department of Homeland Security*, on the other hand, used the program for **20 percent** of its spending and **saved over \$300 million**, or two percent of its total budget.”

—Senator Tom Coburn (Wastebook 2012, October 2012)

“And agency-level **strategic sourcing** of goods like IT and medical equipment have **saved hundreds of millions** more. In just one example, the Department of Homeland Security saved over **\$386 million** last year by **pooling purchases** for a **wide range of products**—everything from canines to surveillance equipment across FEMA, the Coast Guard, Customs and Border Protection, and other components.”

—Joe Jordan, OFPP Administrator, ‘Historic Savings in Contracting—and Plans for More’ blog post, December 6, 2012

INITIATIVE 1.3.4: REDUCE PROMPT PAYMENT LATE FEES PAID

Whenever practical, the Department needs to ensure that late fees are avoided. While this initiative requires close coordination with the Office of the Chief Financial Officer, the contracting community has the ability to substantively reduce the amount of late fees paid by monitoring fees to determine the cause of delays in the invoice process.

Responsible Officials

- Policy and Acquisition Workforce Director
- Oversight and Strategic Support Director
- Heads of Contracting Activity

Performance Metric

- Prompt Payment Late Fees Paid

INITIATIVE 1.3.5: IMPROVE TIMELINESS OF CONTRACT CLOSEOUTS

Traditionally, the contract closeout function tends to receive lower priority in relation to other contracting duties due to ongoing workload challenges of our contracting personnel. Given the increasing demands and burdens on contracting officers in recent years, the number of physically complete contracts has risen without the proper resources and attention to perform these closeout functions. In some cases, contracting offices have turned to the private sector to assist them. However, the Department understands that timely closeout of contract actions is a necessary and valuable activity that serves many benefits to both contractors and the government. As a result, the DHS contracting leadership has incorporated this specific initiative on improving the timeliness of contract closeouts in each of our contracting offices.

Responsible Officials

- Policy and Acquisition Workforce Director
- Heads of Contracting Activity

Performance Metric

- Number of Contract Actions Closed

PRIORITY 2 QUALITY PEOPLE

Quality people are critical to procuring supplies and services in compliance with federal statutes and regulations and in a timely manner. The mission cannot be accomplished without experienced, trained, and motivated contracting professionals. The contracting community's role is greater than filling in a form or template—it is the contracting officer's role as a business advisor and the application of his or her judgment, experience, knowledge of the marketplace, and recognition of the inherent risks of a procurement approach that provides value to the DHS acquisition process.

OBJECTIVE 2.1: WORKFORCE

OCPO must continue its focus on building and sustaining its workforce, while ensuring it has federal personnel in critical positions to properly award and administer contracts. A key enabler of the procurement community's ability to make good business deals is a highly skilled and motivated workforce that is adaptable to the challenges presented in a dynamic environment. The following are initiatives that OCPO and the CAs will implement in support of workforce improvement:

INITIATIVE 2.1.1: CONTINUE ACQUISITION PROFESSIONAL CAREER PROGRAM

The Acquisition Professional Career Program (APCP) is a three-year development program that includes participants in the following career series:

- Contracting
- Program Management
- Systems Engineering
- Life Cycle Logistics
- Information Technology Program Management
- Cost Estimating

In FY 2013, APCP entrants will be permanently assigned to a particular Component contracting and acquisition program office to gain practical, hands-on acquisition experience through rotations in their respective Component. This enables the development of a pipeline of future acquisition leaders and delivers new trained and certified acquisition professionals to the DHS workforce every year to offset workforce losses from retirements and transfers to non-DHS agencies.

Responsible Official

- Policy and Acquisition Workforce Director
- Heads of Contracting Activity
- Component Acquisition Executives

Performance Metrics

- APCP Graduation Rate
- APCP Annual Attrition Rate

INITIATIVE 2.1.2: IMPROVE QUALITY OF CONTRACTING WORKFORCE

Certification of contracting professionals not only demonstrates OCPO's and CAs' commitment to their workforce but also demonstrates that its personnel have the required education, training, and experience necessary to award and administer high-quality contracts. OCPO and the CAs promote contracting certifications by providing on-the-job experience and training courses required by the Federal Acquisition Institute (FAI).

Responsible Officials

- Policy and Acquisition Workforce Director
- Heads of Contracting Activity

Performance Metric

- 1102 Certification Rate

“The Department has **created** an Acquisition Workforce Development initiative to **improve its acquisition workforce**. When the outcomes of this initiative are achieved, the Department’s acquisition **workforce will be ready** to acquire and sustain the systems and services necessary to **secure the homeland**, while ensuring that the Department and **taxpayers received the best value** for the expenditure of public resources.”

—DHS Office of the Inspector General (OIG),
Report Number OIG-13-09, November 2012

INITIATIVE 2.1.3: APPLY DHS PROCUREMENT STAFFING MODEL TO ALL HCA ORGANIZATIONS

A critical element in executing the DHS procurement mission is determining the requisite 1102 staffing levels for each CA. In FY 2012, DHS developed an automated staffing tool that accounts for each CA’s particular contract portfolio as well as projected workload by individual procurement type. OCPO consulted with each HCA, and in November 2012, the model was successfully applied across all nine CAs. The results were included in each HCA Goal and Priority Letter for FY 2013. HCAs will incorporate the model results in their respective Component workforce planning activities. OCPO will also utilize the results in the development and publication of the Acquisition Workforce Strategic Human Capital Plan.

Responsible Officials

- Policy and Acquisition Workforce Director
- Heads of Contracting Activity

Performance Metrics

- 1102 Staffing Variance
- HCA Contractor Support Spend

INITIATIVE 2.1.4: PROMOTE EMPLOYEE RETENTION

OCPO and the CAs must promote employee retention by ensuring that contracting officers and specialists are motivated and challenged. Retaining employees reduces the impacts associated with turnovers, such as increased inefficiencies due to transitioning active procurements to new contracting officers and low morale due to unmanageable workloads.

Responsible Officials

- Policy and Acquisition Workforce Director
- Heads of Contracting Activity

Performance Metric

- 1102 Attrition Rate

PRIORITY 3 QUALITY PROGRAM SUPPORT

Quality program support is a key priority across OCPO to ensure that sufficient human resources and critical funding are dedicated to maintaining a program support infrastructure across the Department. All too often, these program support initiatives are the first to be cut or eliminated in tough budget times, resulting in short-term savings but long-term program degradation.

OBJECTIVE 3.1: CUSTOMER SATISFACTION

A fundamental objective for any service delivery organization must be to obtain an acceptable level of customer satisfaction, while striving for continuous improvement. DHS CAs must carefully balance this customer satisfaction objective with the need for regulatory compliance. The following are initiatives OCPO will implement in support of customer satisfaction:

INITIATIVE 3.1.1: ENHANCE CUSTOMER SERVICE EXPERIENCE

A primary initiative for each CA is to ensure that the proper level of procurement support is provided to each customer and program manager. OCPO recognizes that each customer's requirements and expectations will vary widely, depending on their specific contracting need. Contracting officers will be challenged to partner with their customers to develop an appropriate set of expectations and an acceptable level of service and then to properly survey customers, allowing them to provide constructive feedback on the support provided. OCPO will continue to work closely with CAs to rationalize the results of the FY 2012 DHS Procurement Customer Satisfaction Survey and to shape future customer service initiatives.

Responsible Officials

- Oversight and Strategic Support Director
- Heads of Contracting Activity

Performance Metrics

- Customer Satisfaction Survey (Question 29*)
- Total Obligations
- Total Transactions

INITIATIVE 3.1.2: MAINTAIN TIMELINESS

Timely procurement support must be considered during each phase of the procurement, including acquisition planning, requirements development, solicitation and evaluation, contract award, administration, and closeout. Measuring and evaluating the timeliness of procurement support has traditionally proven to be a challenge, especially as the role of the contracting officer has evolved from one of processing purchase requests to partnering with customers in a collaborative, business advisor relationship. However, a thorough assessment of any CA must include the element of timeliness in order to ensure effective mission support and customer satisfaction. Currently, Procurement Action Lead Time is monitored and reported by two CAs—OPO and OSA—in support of the Under Secretary for Management Service Delivery Council activities.

Responsible Officials

- Oversight and Strategic Support Director
- Heads of Contracting Activity—OPO and OSA

Performance Metric

- Procurement Action Lead Time—OPO and OSA

*Question 29: Overall, how satisfied are you with the customer service provided by your DHS Contracting Activity?

FEEDBACK FROM DHS PROCUREMENT CUSTOMERS

- “Our **contracting staff** is always trying to **make things easier** and **more understandable** to the CORs here in the building. They bend over backwards to get the **latest information** available out to everyone as **quickly** as possible to avoid negative impacts or delays in award. They work miracles!”
- “Contract Specialist support has been **very good** both in terms of **customer service** and **timeliness**.”
- “**Exceptional communications** between customer and the contracting staff. **Clear guidance** on what the FAR can and cannot do. Post-award **support is very good**.”
- “They provided a **fast response** to all related questions when I needed help. It’s important to **actually talk** to a someone instead of submitting your question through an online form in order to **receive technical assistance**. And for that I am **grateful** for their continued support.”
- “Very **good communication**, so that awards are made in a **timely fashion**.”
- “The Contracting Activity does an **excellent job** of **training/coaching** those employees who are new to contracting on their roles and responsibilities as a COR. I am particularly **appreciative** of the **mission focus** the Contracting Activity has. **They understand** that the scientist/engineer is simply trying to get the project to start and track successfully so the research can be done. The Contracting Activity has learned the research culture and **successfully communicates** the rules and processes of the **complex contracting** world so that the researcher can maintain his/her focus on the technical aspects of the work and **maintain a productive**, auditable contract that meets the **high standards** of the local Contracting Activity.”

—Excerpts, FY 2012 DHS Procurement Customer Satisfaction Survey

OBJECTIVE 3.2: ACQUISITION TRAINING AND CERTIFICATION

It is essential for DHS to have experienced, well-trained acquisition professionals managing, supporting, and overseeing its programs and negotiating and administering its contracts. A key ingredient in ensuring DHS has experienced people to manage its programs and provide the right level of contract oversight is the DHS enterprise-wide acquisition training and certification program. The program identifies the competencies necessary to manage major acquisitions and contracts and delivers the training, which contributes to the professional development, retention, and performance of the acquisition workforce. The following are initiatives that OCPO will implement in support of acquisition training and certification:

INITIATIVE 3.2.1: ENHANCE ACQUISITION CERTIFICATION PROGRAM

At present, OCPO manages nine acquisition certification programs—Program Management (PM), Contracting Officer Representative (COR), Program Financial Management (PFM), Cost Estimating (CE), Contracting, Life Cycle Logistics (LCL), Test & Evaluation (T&E), Systems Engineering (SE), and Ordering Official (OO). In FY 2012, over 2,700 acquisition certifications were issued to DHS employees.

It is anticipated that an additional career field specialty—Information Technology Program Management (IT/PM)—will be added to the existing PM certification program in FY 2013 to comply with OFPP’s upcoming Federal IT Specialization standard. OCPO will work with the Office of the Chief Information Officer and PARM to identify any further developmental activities needed to fulfill the specialization’s requirements.

Responsible Official

- Policy and Acquisition Workforce Director

Performance Metrics

- PM Certificates Issued
- COR Certificates Issued
- PFM Certificates Issued
- CE Certificates Issued
- Contracting Certificates Issued
- LCL Certificates Issued
- T&E Certificates Issued
- SE Certificates Issued
- IT/PM Certificates Issued
- Comparison of Number of CORs to Contracts

INITIATIVE 3.2.2: IMPROVE QUALITY OF ACQUISITION TRAINING PROGRAM

Providing a centralized acquisition training program for the acquisition workforce furthers the creation of “One DHS” by promoting collaboration among participants from across the Department and consistent certification standards. The DHS Acquisition Training Program includes training development, course administration, and training delivery of instructor-led and web-based acquisition certification and related courses. DHS continues to make strides in learning and development opportunities and has become a recognized leader in civilian acquisition workforce training. In October 2012, DHS opened its new HSAI facility, which provides Department-wide acquisition training in the Contracting, Program Management, Systems Engineering, Test and Evaluation, Cost Estimating, and Contracting Officer’s Representative disciplines. HSAI offers an average of 250 classes per year and trained over 6,000 students in FY 2012. Over 2,700 DHS employees are certified in acquisition career fields and that number continues to rise. OCPO continues to explore new and innovative training methods, such as simulation and modeling, in order to make our professionals “smarter, faster.”

Responsible Official

- Policy and Acquisition Workforce Director

Performance Metric

- Overall Student Satisfaction
- Supervisor Assessment of Employee Training Effectiveness
- Number of Students Trained

INITIATIVE 3.2.3: SUPPORT FEDERAL ACQUISITION INSTITUTE TRAINING APPLICATION SYSTEM IMPLEMENTATION

One of the greatest challenges in managing, training, and tracking our acquisition workforce is identifying the individuals who meet the definition of an acquisition workforce member. To address this challenge, DHS has partnered with FAI in developing and deploying the Federal Acquisition Institute Training Application System (FAITAS). This Federal Government-wide, web-accessible tracking and certification system allows DHS managers to capture certification and training records for the Department's acquisition workforce. In addition, OCPO is able to monitor the overall registration rate for all 1102s across DHS.

Responsible Official

- Policy and Acquisition Workforce Director

Performance Metrics

- 1102 FAITAS Registration Rate
- Number of DHS Personnel Registered in FAITAS

INITIATIVE 3.2.4: MAINTAIN EXECUTIVE DEVELOPMENT PROGRAM

The Executive Development Program provides developmental opportunities to senior members of the acquisition workforce at the GS-14 and GS-15 levels. The program benefits the Department by providing formal training for senior contracting and program personnel and ensures the Department has highly qualified and motivated leaders in its acquisition workforce.

Responsible Official

- Policy and Acquisition Workforce Director

Performance Metric

- Executive Program Completion Rate

PRIORITY 4 QUALITY INDUSTRY-GOVERNMENT COMMUNICATION

Quality industry-government communication is a key element to OCPO maintaining open and transparent exchanges with the Department's vendor community. The contracting officers and specialists cannot procure quality supplies and services without an active and engaged vendor community. The Department directly benefits from quality communication with industry because it leads to increased competition, savings, and the identification of additional commercial sources, many of which are first-time DHS contractors or "non-traditional" federal contractors.

OBJECTIVE 4.1: INDUSTRY OUTREACH

Quality industry outreach consists of frequent, meaningful, and early exchanges with industry before, during, and after contract award. Early communication encourages the vendor community to provide feedback on DHS requirements and acquisition strategies, which results in more refined Department requirements and an increased understanding of the marketplace and industry capabilities. Pre-award engagement with industry is important because it encourages interest in DHS procurements, which leads to increased competition, savings, quality solicitations, and the identification of commercial sources. Meaningful post-award communication increases industry's understanding of the source selection process and how it can improve its proposals for future procurement competitions. The following are initiatives that OCPO and the CAs will implement in support of industry outreach:

INITIATIVE 4.1.1: IMPROVE ADVANCE ACQUISITION PLANNING INFORMATION

Quality Advance Acquisition Plan (AAP) information is important for maximizing competition and obtaining the required supplies and services. Current, complete, and accurate procurement data entered into the DHS APFS enables contractors to have a better understanding of the Department's needs and allows development of higher quality proposals. This can also result in greater competition, as it allows companies to obtain an increased understanding of the supply and service required. The timely creation and maintenance of AAP data within APFS can only be accomplished through an active partnership between DHS program/requiring offices and procurement personnel. Both organizations must continually communicate and coordinate on acquisition status to ensure that a single, clear message is delivered to interested contractors.

Responsible Officials

- Procurement Industry Liaison
- Procurement Ombudsman
- DHS Industry Liaison Council
- Policy and Acquisition Workforce Director
- Oversight and Strategic Support Director
- Office of Small and Disadvantaged Business Utilization Director

Performance Metrics

- Timely Creation of AAPs
- Timely Forecast Updates

INITIATIVE 4.1.2: INCREASE VENDOR COMMUNICATIONS

Increasing vendor communications by organizing industry days and pre-proposal conferences, and soliciting industry input for market research and draft solicitations is mutually beneficial for DHS and industry. Industry benefits from open and transparent communications and the opportunity to increase its understanding of DHS requirements. DHS receives benefits through increased competition, improved requirements documentation, and most importantly, increased efficiencies and savings.

Responsible Officials

- Procurement Industry Liaison
- Procurement Ombudsman
- DHS Industry Liaison Council
- Policy and Acquisition Workforce Director
- Heads of Contracting Activity

Performance Metrics

- Number of Industry Days/ Pre-Proposal Conferences
- Number of Requests for Information/ Draft Requests for Proposals
- Number of Contractors Receiving First-Time DHS Awards

“Your team is to be **commended** for their **candor** and **willingness** to openly **share** and discuss DHS procurement operations, all in the interest of **supporting a more effective** and **efficient** procurement system for government, industry and the **American taxpayer.**”

— Roger Walden, President, Coalition for Government Procurement (September 27, 2012)

INITIATIVE 4.1.3: CONDUCT BUSINESS PROCESS EXCHANGE SEMINARS FOR THE ACQUISITION WORKFORCE

A critical element of effective industry-government communications is a shared understanding of each other's processes, risks, objectives and goals. In FY 2013, OCPO will introduce a framework and delivery model for conducting Business Process Exchange Seminars. These seminars will be developed through collaboration with DHS industry associations and offered to employees within the appropriate acquisition disciplines, perhaps on a quarterly basis. Seminars will be led and managed by DHS Procurement Industry Liaison and Procurement Ombudsman.

Responsible Officials

- Procurement Industry Liaison
- Procurement Ombudsman
- DHS Industry Liaison Council
- Policy and Acquisition Workforce Director

Performance Metric

- Number of Seminars Conducted

INITIATIVE 4.1.4: ENHANCE AND MAINTAIN DHS PROCUREMENT WEB PAGE

As we continue to focus on quality industry-government communication, it is imperative that all forms of communication be employed to properly share and exchange information. Therefore, we have created an initiative to enhance the DHS Procurement Web Page with the goal of providing more comprehensive information, including industry liaison council activities, APFS developments and enhancements, and DHS industry events.

Responsible Officials

- Procurement Industry Liaison
- Procurement Ombudsman
- Policy and Acquisition Workforce Director
- Office of Small and Disadvantaged Business Utilization Director

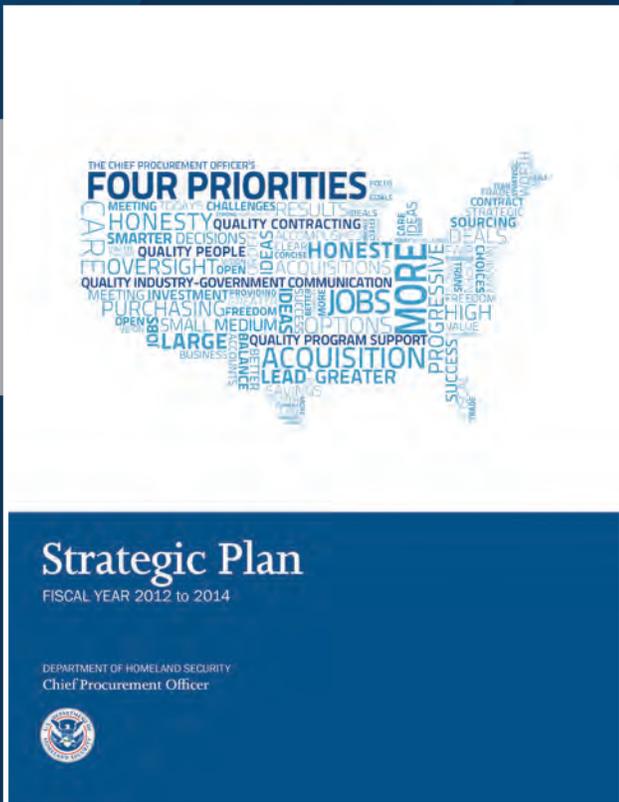
Performance Metric

- Number of Unique Visitors to the DHS Procurement Web Page

06

FY 2013 PROCUREMENT PRIORITIES, OBJECTIVES, INITIATIVES, AND METRICS SUMMARY

MOVING FORWARD INTO FY 2013



**4 PRIORITIES | 7 OBJECTIVES
30 INITIATIVES | 66 METRICS**



**4 PRIORITIES | 7 OBJECTIVES
27 INITIATIVES | 61 METRICS**



FY 2013 PROCUREMENT PRIORITIES, OBJECTIVES, INITIATIVES AND METRICS SUMMARY
 4 PRIORITIES | 7 OBJECTIVES | 27 INITIATIVES | 61 METRICS

| INITIATIVE | | TYPE OF MEASURE | FY 2013 PERFORMANCE METRIC |
|--|--|--------------------------|--|
| PRIORITY 1: QUALITY CONTRACTING | | | |
| OBJECTIVE 1.1: FISCAL RESPONSIBILITY | | | |
| 1.1.1 | Enhance Competition | Effectiveness | <ul style="list-style-type: none"> • Competition Rate (FYHSP) (USM MHA) |
| 1.1.2 | Reduce High-Risk Contracts | Effectiveness | <ul style="list-style-type: none"> • Noncompetitive Contract Rate (AcqStat) • One-Bid Contract Rate (AcqStat) • Time-and-Materials and Labor-Hour Contract Type Rate (AcqStat) • Cost-Reimbursement Contract Type Rate (AcqStat) • Total High-Risk Rate (AcqStat) (USM MHA) |
| 1.1.3 | Increase Strategic Sourcing | Efficiency | <ul style="list-style-type: none"> • Strategic Sourcing Savings (AcqStat) (USM MHA) • Strategic Sourcing Utilization Rate (AcqStat) (USM MHA) |
| 1.1.4 | Improve Service Contracting | Efficiency | <ul style="list-style-type: none"> • Performance-Based Service Contracting Rate |
| 1.1.5 | Improve Acquisition Planning | Effectiveness | <ul style="list-style-type: none"> • Number of Acquisition Plans Entered into APFS |
| 1.1.6 | Increase Green Purchasing | Effectiveness | <ul style="list-style-type: none"> • Sustainable Purchasing Rate (FYHSP) (HCA) |
| 1.1.7 | Reduce Sustained Protests and Corrective Actions | Effectiveness | <ul style="list-style-type: none"> • Percent of Awards Protested to GAO & COFC (HCA) • Sustained GAO/COFC Protest Rate Based on Total Decided (USM MHA) • GAO Effectiveness Rate |
| OBJECTIVE 1.2: SMALL BUSINESS | | | |
| 1.2.1 | Meet or Exceed Small Business Goals | Effectiveness | <ul style="list-style-type: none"> • Percent of Contracts Awarded to Small Businesses (SBA) (AcqStat) (FYHSP) (USM MHA) • Percent of Contracts Awarded to Overall SDB (SBA) (AcqStat) • Percent of Contracts Awarded to 8(a) Small Businesses (SBA) • Percent of Contracts Awarded to Non-8(a) SDB (SBA) • Percent of Contracts Awarded to SDVOSB (SBA) (AcqStat) • Percent of Contracts Awarded to WOSB (SBA) (AcqStat) • Percent of Contracts Awarded to HubZone Small Businesses (SBA) (AcqStat) • Percent of Contracts Awarded to Small Businesses through Indefinite-Delivery-Indefinite-Quantity Contracts and Multiple Award Schedules (AcqStat) • Percent Increase in Small Business Awards Under the SAT (AcqStat) |
| OBJECTIVE 1.3: CONTRACT ADMINISTRATION | | | |
| 1.3.1 | Improve Quality and Timeliness of Performance Evaluations | Effectiveness | <ul style="list-style-type: none"> • PPIRS Compliance Rate (AcqStat) |
| 1.3.2 | Improve Federal Procurement Data Quality | Effectiveness | <ul style="list-style-type: none"> • FPDS Annual Certification Rate (FYHSP) (HCA) |
| 1.3.3 | Maintain Strong Relationship with Oversight Organizations | Stakeholder Satisfaction | <ul style="list-style-type: none"> • OIG/GAO Recommendations Open > 2 Years |
| 1.3.4 | Reduce Prompt Payment Late Fees Paid | Efficiency | <ul style="list-style-type: none"> • Prompt Payment Late Fees Paid (HCA) |
| 1.3.5 | Improve Timeliness of Contract Closeouts | Efficiency | <ul style="list-style-type: none"> • Number of Contract Actions Closed |
| PRIORITY 2: QUALITY PEOPLE | | | |
| OBJECTIVE 2.1: WORKFORCE | | | |
| 2.1.1 | Continue Acquisition Professional Career Program | Effectiveness | <ul style="list-style-type: none"> • APCP Graduation Rate • APCP Annual Attrition Rate |
| 2.1.2 | Improve Quality of Contracting Workforce | Effectiveness | <ul style="list-style-type: none"> • 1102 Certification Rate (AcqStat) (HCA) |
| 2.1.3 | Apply DHS Procurement Staffing Model to All HCA Organizations | Efficiency | <ul style="list-style-type: none"> • 1102 Staffing Variance (HCA) • HCA Contractor Support Spend (HCA) |
| 2.1.4 | Promote Employee Retention | Stakeholder Satisfaction | <ul style="list-style-type: none"> • 1102 Attrition Rate (USM MHA) |
| PRIORITY 3: QUALITY PROGRAM SUPPORT | | | |
| OBJECTIVE 3.1: CUSTOMER SATISFACTION | | | |
| 3.1.1 | Enhance Customer Service Experience | Stakeholder Satisfaction | <ul style="list-style-type: none"> • Customer Satisfaction Survey (Question 29) • Total Obligations (AcqStat) (USM SDC) (HCA) • Total Transactions (USM SDC) (HCA) |
| 3.1.2 | Maintain Timeliness | Stakeholder Satisfaction | <ul style="list-style-type: none"> • Procurement Action Lead Time - OPO and OSA (USM SDC) (HCA) |
| OBJECTIVE 3.2: ACQUISITION TRAINING AND CERTIFICATION | | | |
| 3.2.1 | Enhance Acquisition Certification Program | Effectiveness | <ul style="list-style-type: none"> • PM Certificates Issued (AcqStat) • COR Certificates Issued (AcqStat) • PFM Certificates Issued • CE Certificates Issued • Contracting Certificates Issued • LCL Certificates Issued • T&E Certificates Issued • SE Certificates Issued • IT/PM Certificates Issued • Comparison of Number of CORs to Contracts |
| 3.2.2 | Improve Quality of Acquisition Training Program | Stakeholder Satisfaction | <ul style="list-style-type: none"> • Overall Student Satisfaction • Supervisor Assessment of Employee Training Effectiveness • Number of Students Trained |
| 3.2.3 | Support Federal Acquisition Institute Training Application System Implementation | Effectiveness | <ul style="list-style-type: none"> • 1102 FAITAS Registration Rate • Number of DHS Personnel Registered in FAITAS |
| 3.2.4 | Maintain Executive Development Program | Effectiveness | <ul style="list-style-type: none"> • Executive Program Completion Rate |
| PRIORITY 4: QUALITY INDUSTRY-GOVERNMENT COMMUNICATION | | | |
| OBJECTIVE 4.1: INDUSTRY OUTREACH | | | |
| 4.1.1 | Improve Advance Acquisition Planning Information | Effectiveness | <ul style="list-style-type: none"> • Timely Creation of AAPs • Timely Forecast Updates |
| 4.1.2 | Increase Vendor Communications | Effectiveness | <ul style="list-style-type: none"> • Number of Industry Days/Pre-Proposal Conferences (HCA) • Number of Requests for Information/Draft Requests for Proposals (HCA) • Number of Contractors Receiving First-Time DHS Awards |
| 4.1.3 | Conduct Business Process Exchange Seminars for the Acquisition Workforce | Effectiveness | <ul style="list-style-type: none"> • Number of Seminars Conducted |
| 4.1.4 | Enhance and Maintain DHS Procurement Web Page | Effectiveness | <ul style="list-style-type: none"> • Number of Unique Visitors to the DHS Procurement Web Page |



**TURN PAGE AND REMOVE
ON MICROPERFORATION**

FEEDBACK FROM DHS PROCUREMENT CUSTOMERS

“Our **CBP contracting office** always responds to our requests for assistance in a timely manner. They are very helpful with all acquisition phases.”

“**FEMA's Acquisition Operations Division** is superb! The level and quality of service received is unsurpassed. The Contracting Officer's knowledge of the Federal Acquisition Regulation is extensive. When I have a problem with a requirement or contract administration, I can expect my request to be answered timely with the appropriate advice. The **Closeout Section** works with the Program Office to ensure timely and accurate closeout of contract items. **The Small Business Advocate** provides key assistance on the use of small businesses and how to determine if and when small business set asides should be accomplished. The **FEMA OCPO Response Branch** is very customer friendly and responsive whenever I contact them. They are knowledgeable and helpful in the pre-procurement stage. This branch has the best contracting personnel that I have encountered in the government. They work with our program offices to assist with all procurements in a professional manner.”

“Specifically, **the FLETC/PRO/BPB Contracting Officers** are some of the best I have ever had the pleasure of working with in my 20+ years of federal service. They are experts in all aspects of the architectural/engineering services contracts and the construction contracts arena for extremely large complex projects. From the source selection process through construction administration, they are with you every step of the way as a partner in getting the best value for the government.”

“I have always found the **ICE Procurement staff** to be extremely helpful. I have recently began working as a COR and have consistently received helpful and timely answers to all questions asked.”

“**OPO Contracting Officers and staff** are very responsive to processing PRs and reviewing Statements of Work. Also, if we run into any problems with the contractor, Contracting Officers are very responsive.”

“**USCIS Contracting** is well organized and can always be reached when needed. They provide sound advice to the program office and are very dependable, even when busy season begins at the end of the fiscal year.”

“The **FPS procurement staff** really understand our mission and always go the extra mile to make sure that our contracts are well written and structured properly to deliver the results we need. They are always offering us good advice and asking great questions to understand our requirements.

“Overall, **OSA staff** are good people and mean well. They provide good, professional support. They instill a sense of urgency when needed and address issues as they arise in a professional and courteous manner that I appreciate.”

“The **TSA Contracting Activity** has done a good job enforcing contract terms and conditions and working with the program to resolve key contractor personnel issues and make needed modifications to the contract. The TSA Contracting Activity has also done a good job explaining the complexities of cost/performance-based contracts to the program team.”

“First off, the DHS Contracting Activity that I reference in this survey are the **Contracting Officers** employed by **US Coast Guard** to administer contracting actions for USCG projects. Without exception, I've found them competent and almost always friendly and easy to work with. They've taken a personal interest in training me to support them as a Contracting Officer's Representative and Project Manager working with them to achieve project goals.”

“I deal only with **USSS Contracting personnel** and not with the DHS level. As to the question—the USSS personnel are excellent.”

—Excerpts, FY 2012 DHS Procurement Customer Satisfaction Survey

07

UPDATED STRATEGIC PLAN ANNUAL EXECUTION

Successfully implementing the CPO Strategic Plan requires active participation throughout our procurement community. The timeline on the following pages outlines the recurring activities and events that the CPO, Deputy Chief Procurement Officer (DCPO), OCPO leadership, and HCAs will lead or participate in to implement the Strategic Plan initiatives.

Each event supports one or more of the CPO's four priorities: Quality Contracting, Quality People, Quality Program Support, and Quality Industry-government Communication. Most of the events can be categorized

as oversight, support, or outreach. Oversight includes meetings or reviews of CAs' progress in implementing the CPO Strategic Plan initiatives. Support includes OCPO activities that reinforce the Strategic Plan initiatives, such as acquisition training. Outreach includes communications with external stakeholders, such as industry and OFPP.

The Strategic Plan Annual Execution timeline has been updated to include the issuance of HCA Goal and Priority Letters, publication of the Strategic Plan Annual Progress Report, and introduction of the DHS Procurement Staffing Model.



07

UPDATED STRATEGIC PLAN ANNUAL EXECUTION



ALL PRIORITIES

QUALITY CONTRACTING



HCA GOAL & PRIORITY LETTERS

The CPO issued FY 2013 Goal & Priority Letters for all nine HCAs in conjunction with the FY 2012 HCA end-of-year performance assessments. These letters summarize FY 2012 results and set goals for selected metrics in FY 2013. The goal letters were also provided to each HCA's reporting official for their use in establishing HCA performance plans.



HCA PERFORMANCE ASSESSMENTS

On a semi-annual basis, the CPO conducts formal performance assessments of the operations of the HCAs and their progress in meeting annual goals, as outlined in the CPO Procurement Health Assessment.



HCA COUNCIL MEETINGS

The CPO chairs monthly meetings with the HCAs to collectively discuss progress in implementing the Strategic Plan initiatives.



CAO COUNCIL (CAOC) MEETINGS

OFPP chairs monthly Chief Acquisition Officers Council meetings, which include procurement executives from DHS and the Federal Government, to discuss federal procurement initiatives and challenges.



OFPP CONDUCTS ACQSTAT REVIEW WITH CPO

OFPP conducts an annual review of DHS's progress in meeting OFPP initiatives and goals.



ONLINE HCA PROGRESS MONITORING

Several times a month, OCPO monitors the HCAs' progress in meeting goals through the online dashboard, ERA. OCPO also monitors updates on each HCA's top 10 procurements in ERA.



STRATEGIC PLAN ANNUAL PROGRESS REPORT

To support implementation and execution of the CPO FY 2012-2014 Strategic Plan, annual progress reports will be issued each January. In January 2013, CPO published the inaugural FY 2012 Annual Progress Report describing DHS procurement workforce accomplishments and updates to the Strategic Plan's initiatives and metrics based on HCA, OCPO leadership, and other stakeholder feedback.



HIGH VISIBILITY PROCUREMENT TOPIC REVIEWS

OCPO conducts approximately 8-10 high visibility procurement topic reviews throughout the year. These reviews include a comprehensive review on a particular procurement topic, such as the use of past performance evaluations or time-and-material contracts.



SMALL BUSINESS OUTREACH

The Office of Small and Disadvantaged Business Utilization (OSDBU) leads or participates in over 100 small business outreach events a year throughout the country.



SMALL BUSINESS VENDOR OUTREACH SESSIONS

OSDBU hosts approximately 10 vendor outreach sessions a year which include 15-minute, one-on-one sessions for small business owners with DHS small business specialists and program officials.



COMPONENT PROCUREMENT OVERSIGHT REVIEWS

Every three years, OCPO conducts a comprehensive assessment of a CA's operations, which includes an audit of the activity's contract files. OCPO conducts reviews on two CAs per year.

CPO ASSESSES HCA PERFORMANCE PROGRESS 

CPO ASSESSES HCA PERFORMANCE PROGRESS 



QUALITY PEOPLE

-  **APCP GRADUATION**
OCPO graduates approximately two cohorts of contracting and acquisition professionals each year. Upon graduation, the professionals begin permanent assignments within DHS.
-  **DHS PROCUREMENT STAFFING MODEL**
In response to GAO's high risk assessment of DHS acquisition management, a procurement staffing model was developed to determine the optimal number of operational contracting personnel (1102s) required for each Component. OCPO implemented the model in November 2012 and provided each HCA with their respective staffing recommendation for FY 2013. This model will be applied on an annual basis and results included in the annual HCA Goal & Priority Letters.

PROCUREMENT RECOGNITION PROGRAMS

OCPO manages or participates in four annual recognition programs that support key priorities and initiatives.

-  **COMPETITION AND ACQUISITION EXCELLENCE (C&AE)**
Recognizes individual and team initiatives and accomplishments that contribute to the promotion of competition, industry communication, and the use of innovative and best practices.
-  **SMALL BUSINESS (SB)**
Recognizes small business advocates and supporters for their outstanding contributions to DHS's small business program.
-  **STRATEGIC SOURCING (SS)**
Recognizes individuals, teams, and Components for their achievements in strategic sourcing such as reducing costs and improving process efficiencies.
-  **CAOC ACQUISITION EXCELLENCE**
Recognizes federal employees engaged in team or individual activities that lead to excellent results in the following four acquisition categories: buying smarter, effective vendor communication, strategic sourcing, and small business.

QUALITY PROGRAM SUPPORT

-  **INVESTMENT REVIEW BOARDS/ EXECUTIVE STEERING COMMITTEES**
Several times a month, the HCAs participate in these boards/committees to provide procurement guidance on major program acquisitions.
-  **ACQUISITION TRAINING**
OCPO offers 300 classes a year at 25 Component locations nationwide. These classes are offered to the entire acquisition workforce to include program and contracting professionals.

QUALITY INDUSTRY-GOVERNMENT COMMUNICATION

-  **ANNUAL INDUSTRY DAY**
The Procurement Ombudsman and Industry Liaison host a formal industry day each year. Each HCA announces new procurement opportunities to industry.
-  **COMPONENT INDUSTRY COMMUNICATION LIAISON MEETINGS**
The Procurement Ombudsman and Industry Liaison chair quarterly meetings with each CA's Industry Communication Liaison to discuss progress in improving communications with vendors.
-  **ACQUISITION PLANNING FORECAST SYSTEM**
In March and September, the DHS program offices enter Advance Acquisition Plans in the Acquisition Planning Forecast System. The DHS program offices can also add new plans or update existing plans any time throughout the year.



HSAI STANDARDS
 LEAST COST
 IDEALS CHOICES
 GREATER ACCOMPLISHMENTS HUBZONE FOCUS
 STRATEGIC SOURCING
 COMPETITION
 MORE OPEN STRENGTH 8(a) FOCUS
 TRADE JOBS ACQUISITIONS
 GOALS STABILITY
 FOCUS HONEST
 EFFICIENT SOLUTIONS
 PROGRESS CARE LEADERSHIP
 JOBS WORTH
 OPTIONS BUSINESS
 CONCISE GOALS HONEST TEAM
 CLEAR

FINANCIAL INVESTMENTS
 FOCUS TEAM
 GOALS

VALUE OPEN LEADER
 HIGH IDEALS MARGIN
 FAIR FOCUS VISION
 MORE SUCCESS BETTER JOBS

ANNUAL PROGRESS REPORT FOR FISCAL YEAR 2012
 STRATEGIC PLAN FOR FISCAL YEARS 2012 TO 2014

