Department of Homeland Security
Office of Inspector General

Federal Protective Service Contract Guard Procurement and Oversight Process

OIG-09-51

April 2009

AUTHENTICATED
U.S. GOVERNMENT
INFORMATION
GPO

Office of Inspector General

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

April 6, 2009

Preface

The Department of Homeland Security (DHS) Office of Inspector General (OIG) was established by the *Homeland Security Act of 2002* (Public Law 107-296) by amendment to the *Inspector General Act of 1978*. This is one of a series of audit, inspection, and special reports prepared as part of our oversight responsibilities to promote economy, efficiency, and effectiveness within the department.

This report addresses the strengths and weaknesses of the Federal Protective Service's (FPS) procurement and oversight of its Contract Guard Program. It is based on interviews with FPS employees and officials, direct observations, and a review of applicable documents.

The recommendations herein have been developed to the best knowledge available to our office, and have been discussed in draft with those responsible for implementation. We trust this report will result in more effective, efficient, and economical operations. We express our appreciation to all who contributed to the preparation of this report.

Richard L. Skinner
Inspector General

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Abbreviations

CCG	Consolidated Contracting Group
CERTS	Contract Guard Employment Requirements Tracking System
COTR	Contracting Officer Technical Representative
DHS	Department of Homeland Security
FAR	Federal Acquisition Regulation
FPS	Federal Protective Service
GSA	General Services Administration
ICE	United States Immigration and Customs Enforcement
OIG	Office of Inspector General

OIG

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Executive Summary

The Federal Protective Service uses contract guards to fulfill its responsibility for the security of federal properties and personnel across the nation. The objectives of our audit were to determine whether the Federal Protective Service's award selection practices facilitate the procurement of guard service contracts in the government's best interests, and whether the agency's oversight activities provide reasonable assurance that contractors are satisfying requirements.

The Federal Protective Service did not use consistent selection practices to award guard contracts. The agency did not consistently apply its selection methodology, define evaluation factors, or staff its evaluation teams with the same mix of personnel. Standard guidance for these practices is still being developed. Inconsistent selection practices may lead to disparate levels of service quality and open the agency to public criticism.

Federal Protective Service contract oversight activities did not ensure that contractors were deploying qualified guards and satisfying contract requirements. The agency did not consistently perform or document guard and post inspections, monitor certification records, review invoices, pursue deductions for violations, or evaluate performance. This resulted from limited oversight policies and procedures, the need for an agency-wide inspection information system, and insufficient oversight personnel. Until these shortfalls are addressed, the agency cannot ensure that guards are complying with contract requirements or effectively using past performance as an evaluation factor in guard service procurements. This may lead to decreased security, putting federal employees, facilities, and visitors at risk.

We are making six recommendations to the Federal Protective Service, which should strengthen policies and procedures for the contract guard program. We also address the need for an information system and sufficient resources for the agency to procure and oversee guard service contracts. The agency concurred with our recommendations.

Background

The mission of the Federal Protective Service (FPS) is to render federal properties safe and secure for employees, officials, and visitors in a professional and cost-effective manner by deploying a highly trained and multidisciplined police force. To accomplish its mission, FPS currently has a workforce of about 1,100 employees and approximately 15,000 contract guards located throughout the country.

In 2003, FPS was transferred from the General Services Administration (GSA) to the United States Immigration and Customs Enforcement (ICE) within DHS. FPS is currently tasked with providing physical security and law enforcement services to about 9,000 facilities owned or leased by the GSA.

FPS contracts with private companies for essential security guard services, such as controlling access to facilities, checking employee and visitor identification, monitoring security equipment, and patrolling the interior and exterior of federal facilities. These contractors are responsible for providing and maintaining all services necessary to accomplish security as described in the contract statement of work, including management, supervision, manpower, training, equipment, supplies, and licensing. FPS is responsible for ensuring that the contractor follows the terms of the contract and assessing price deductions for services that are not rendered.

Guard contracts are awarded and monitored by FPS employees in the following roles and groups:

1) Consolidated Contract Group (CCG): Located within ICE Office of Acquisition Management, the CCG provides contracting support to FPS for guard services and other FPS mission-related acquisitions.

2) Regional program offices: FPS' 11 regional program offices are responsible for monitoring, overseeing, and ensuring quality using the following personnel:

    - Contract guard program managers serve as the primary focal points and liaisons among the customer tenant agencies, CCG, and regional program office budget and guard monitoring staff.

- Contracting officer technical representatives (COTR) are responsible for monitoring the performance of the FPS guard contracts. COTR functions include performing inspections to ensure compliance with contract terms, reviewing and approving invoices, and periodically evaluating contractor performance.

- Inspectors support the COTRs in overseeing contract guards, as well as completing security assessments and responding to emergency situations. In some regions, inspectors may also be designated as COTRs.

Generally, FPS evaluates contractor offers using "best value" selection methods to ensure that guard services are procured in the manner most advantageous to the government. According to the Federal Acquisition Regulation (FAR) 2.101, "best value" is the expected outcome of an acquisition that, in the government's estimation, provides the greatest overall benefit in response to a requirement.

Results of Audit

Selection Methodology for FPS Guard Contracts

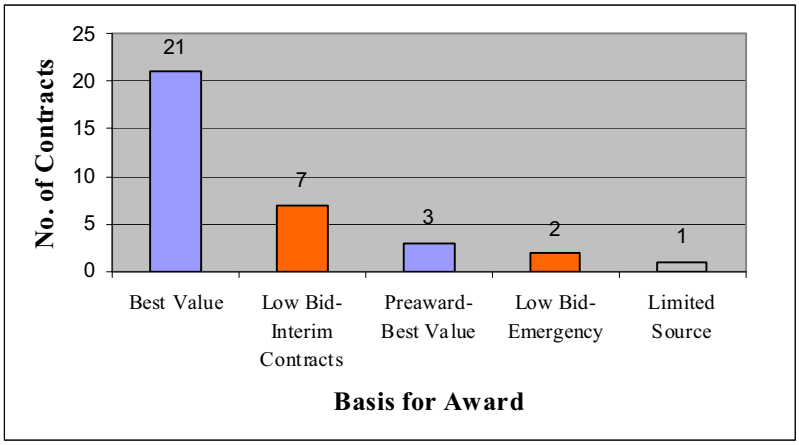
FPS did not use standardized evaluation methods for determining "best value" as a basis for its guard contract award decisions. Specifically, the agency did not consistently apply its selection methodology, define evaluation factors, or staff its evaluation teams with the same mix of personnel. Standard guidance for these practices did not yet exist; as of October 2008, guidance was still under development. As a result, guard contracts that provide similar services across the nation may not have been awarded in the government's best interests. Inconsistent selection practices may lead to disparate levels of service quality and open the agency to public criticism.

Best Value Guard Contracts

We reviewed files for 31 contracts awarded between March 2007 and April 2008 with an estimated total value of more than $529 million. We also reviewed three preaward contract files. We reviewed these files to determine whether contracts were awarded in a manner consistent with FPS' goal of awarding contracts that would be of "best value" to the government. One contract was awarded to an incumbent contractor on a limited source basis in accordance with the FAR 8.405-6. For nine contracts, it appears that FPS made "best value" determinations by choosing the lowest

bidders. For the remaining 21 contracts and 3 preawards, FPS made "best value" determinations after evaluating a variety of price and nonprice factors. See Figure 1.

Figure 1. Basis of Award for Guard Contracts



FPS awarded "lowest bid" contracts for two emergency procurements and seven interim contracts. FPS awarded these contracts solely on the basis of price. The nine "lowest bid" contracts were for guard services procured through GSA's federal supply schedule using FAR 8.4. The prices for all services offered through the federal supply schedule are determined by GSA to be fair and reasonable. The agency awarded six interim contracts to the lowest bidders as a result of a September 2006 protest of FPS' efforts to award best value statewide contracts. The agency chose to issue these interim contracts on the basis of price until it could award new state-wide best value contracts that consider both price and non-price evaluation factors. However, as of October 2008, FPS was still using these low-bid interim contracts.

The practice of awarding guard service contracts solely on the basis of price conflicts with the FPS' contract guard acquisition plan, which states that performance or schedule requirements should not be compromised to obtain low cost. Due to competing priorities, FPS was unable to allocate the necessary personnel to process new state-wide contracts in a timely manner. FPS officials noted that 92 of the 123 guard contracts (75%) had to be processed and awarded in fiscal years 2007 and 2008, stretching the assigned personnel beyond their capacity.

Best Value Technical Evaluation Factors

FPS did not use a consistent set of factors to evaluate similar guard service contractor quotes and define best value for the 21 contracts and 3 preawards we reviewed that were evaluated using both price and nonprice factors. These best value technical evaluations included a consideration of price and a combination of nonprice factors such as corporate experience, management plan, past performance, quality control plan, socioeconomic status, and technical capability. See Figure 2.

The contract files we reviewed had adequate support for the individual award decision, including acquisition plans, criteria for selection, and award decision memorandums. However, contracting officers used many different combinations of technical factors to determine which contracts yielded the best value to the government for similar contract guard services. For example, 5 of the 21 procurements were based on past performance and price factors; 2 procurements were based on past performance, quality control plan, and price; and another was based on past performance, management approach, socioeconomic status, and price.

Figure 2. Definitions of Technical (Nonprice) Evaluation Factors

Past Performance: Successful performance of projects of a similar size and complexity obtained from references and other sources.

Management Plan/Approach: Techniques and actions described that demonstrate an ability to successfully accomplish the government's requirement.

Socioeconomic Status: Socially and economically disadvantaged businesses will be considered as a positive enhancement to the evaluation and trade-off process.

Corporate Experience: Currency and relevance of past projects similar in scope and complexity to the government's current requirement.

Quality Control Plan: A supervisory plan that demonstrates the contractor's clear and distinct understanding of the need for quality control.

Technical Capability: Demonstration of technical resources, knowledge, and expertise. This may include a transition plan and quality control plan.

Source: Federal Protective Service Guard Contracts

The FAR does not require a specific formula for evaluating price and nonprice factors, but the practice of using different evaluation factors for similar services conflicts with FPS' plan for a standardized guard acquisition process. Contracting officers used the different combinations of technical evaluation factors because national standardized guidance did not exist until June 2007. The contracts we reviewed were awarded either before or while FPS developed the guidance and, as a result, do not align with FPS'

intent to standardize the acquisition process for guard services nationwide. Because FPS awards guard contracts across all 11 regions, the use of varying evaluation factors to define best value may leave the agency open to public criticism as well as receiving disparate levels of service quality.

Proposal Evaluation Teams

FPS' evaluation guidance suggests that contract technical evaluation teams be composed of both regional program office and CCG contracting personnel. However, proposal evaluation teams were not consistently staffed according to FPS' guidance. Regional program office staff was not always able to provide technical expertise or consistently participate on evaluation teams.

According to regional program office and CCG personnel, certain regions do not have staff with the expertise required to evaluate all technical factors. One CCG official explained that even with instruction, some personnel could not effectively evaluate the quality of management plans submitted by different offerors. Ideally, the CCG would lead the procurement team to ensure that FAR requirements are met, while regional program office staff would serve as technical experts in evaluating contractor proposals.

Staff shortages and competing priorities prevent FPS from ensuring that regional program office personnel have sufficient expertise, training in federal acquisition, and time to thoroughly evaluate contractor proposals. For example, one COTR recalled that he was required to respond to emergency law enforcement calls while participating on a technical evaluation team. CCG contracting staff at one office acknowledged that they do not usually include the regional program office in the technical evaluation process because they do not believe these employees are trained to conduct a thorough evaluation. They explained that regional program office teams could take weeks to prepare evaluation reports, which are often poorly written, because of the large number of contracts to be awarded and the shortage of trained personnel on the technical teams. Consequently, CCG personnel have had to make up for regional program offices' weaknesses to ensure that evaluations are legally defensible.

FPS Progress in Standardizing Selection Practices

In spring 2007, FPS began to standardize its approach for acquiring guard services by issuing a programwide acquisition plan

and developing a national best value evaluation guide. Previously, contracting officers developed separate acquisition plans for each procurement, without overarching nationwide guidance from FPS. The new program-wide plan describes FPS' intent to compete all guard service requirements and award contracts on a best value basis after evaluating price and nonprice factors. FPS also established a contract review board to review and approve contracting actions at critical decision-making points in the acquisition process to ensure that the government receives best value for these actions.

The FPS' standardized evaluation guidance is still under development. The most recent iteration of the evaluation guide, issued in February 2008, identifies four evaluation factors: price, past performance, management approach, and socioeconomic status. According to the guide, the highest weighted nonprice (or technical) factor is past performance, followed by management approach and socioeconomic status. The other factors shown in figure 2—corporate experience, quality control, and technical capability—have either been incorporated into the definitions of the four required factors or eliminated.

Although development of the national evaluation guide represents significant progress for FPS, regional program office and CCG contracting staff expressed several concerns about the new guidance. For example, some CCG contracting staff disagreed with the weight assigned to the nonprice factors, and would prefer greater emphasis on factors such as quality control and transition plans. FPS' national evaluation guide also indicates that the contract guard manager may waive the management approach factor, but gives no further guidance about when or why this factor could be waived. Staff defended the waivers by explaining that certain regions did not have staff with sufficient expertise to evaluate this factor, and therefore, the factor added no value to the procurement.

In addition, even though FPS designated past performance as the highest rated technical (nonprice) factor in the new guidance, information from the Contractor Performance System[1] is often too generic to be useful for an evaluation. According to contracting staff at the three CCGs, not enough historical data are available because FPS did not input contractor performance evaluations into the system until recently. Although data from other agencies may

[1] The Contractor Performance System is a federal, multiagency, Web-based system created by the National Institutes of Health to collect, maintain, and disseminate historical contractor performance information. The DHS Acquisition Regulation requires DHS officials to use the Contractor Performance System to evaluate contractor performance.

be available in the Contractor Performance System, their usefulness may be limited because the performance questions and responses from these agencies are not specific to FPS requirements. Further, FPS primarily relied on questionnaires to obtain past performance information. This method allowed each contractor to select its best references, potentially hindering FPS' ability to get a realistic picture of the contractor's overall, recent performance record.

Contracts awarded based on best value evaluation factors are intended to ensure that the government makes good business decisions by using factors other than price. FPS is actively working to provide the highest level of security guard services possible, and will continue to provide these services to federal agencies for the indefinite future. Without comprehensive technical evaluation procedures, trained evaluation teams, and proper resource allocation, FPS may not be able to consistently procure guard contracts in the government's best interests. Since FPS awards guard contracts for similar services across all 11 regions, the agency may be open to public criticism if the contracts are awarded without consistent selection practices.

Recommendations

We recommend that the Head of Contracting Activity for the United States Immigration and Customs Enforcement, in coordination with the Director of the Federal Protective Service:

Recommendation #1: Refine and complete standardized procedures and templates to ensure that the Federal Protective Service consistently solicits and awards guard contracts in the government's best interests.

Recommendation #2: Allocate sufficient Consolidated Contracting Group and regional program office staff to perform thorough technical evaluations and award timely follow-on guard contracts that are in the government's best interests.

Recommendation #3: Provide training to the regional program office personnel who participate in technical evaluations so that they can successfully evaluate contractor technical proposals to award best value guard contracts.

Management Comments and OIG Analysis

The ICE Assistant Secretary concurred with the recommendations. ICE believes that the steps it is taking to address the issues raised in this report respond to each of our recommendations and will result in a better-managed and more accountable procurement and oversight process.

Response to Recommendation #1

ICE Response: ICE concurs. The Office of Acquisition Management and FPS continue to refine existing templates and develop new templates and standardized policies and procedures within the contract guard acquisition program to ensure contracts are awarded in the government's best interest. Specifically, the Office of Acquisition Management completed a full review and revision of the "request for quotation" template for FAR Part 8.4 (Federal Supply Schedules) on January 9, 2009 to incorporate best practices, lessons learned, and increased standardization. Some of the significant proposed changes include a complete re-write and mandatory use of the Management Approach evaluation factor, as well as enhancements in the evaluation of pricing on guard service procurements. ICE Office of Acquisition Management intends to issue the revised "request for quotation" template to the workforce, along with guidance concerning exceptions to its use. The office is also developing a "request for proposal" template for acquiring security guard services under the authority of FAR Part 15 (Contracting by Negotiation) and FAR Part 12 (Acquisition of Commercial Items). It is anticipated that this template will be completed by April 30, 2009.

While ICE continues to work to achieve consistency in the procurement of guard services, there might be circumstances where the use of the template would not provide the "best value" as defined in FAR 2.101. ICE acknowledges that it has yet to issue formal guidance to specifically advise when it is appropriate to deviate from the template, or what approvals are required in those instances. However, ICE intends to issue revised templates and guidance concerning exceptions to their use.

OIG Analysis: ICE's actions to refine existing contract guard procurement templates will help FPS consistently solicit and award guard contracts in the government's best interest. This recommendation is resolved but will remain open until ICE completes and issues revised procurement templates and guidance on their use to the workforce.

Response to Recommendation #2

ICE Response: ICE concurs. The agency acknowledges that proper and timely staffing of technical evaluations teams was a challenge during the period covered by the audit, particularly with the number of simultaneous acquisitions in progress and the highly competitive bidding environment for guard services procurements at that time. The significant increases in personnel staffing of contract specialists within the Office of Acquisition Management and inspectors within FPS during 2007-2008 will help resolve this issue. The Office of Acquisition Management and FPS have also made progress in the proper resourcing of technical evaluations teams. Specifically, FPS completed the development of the draft, "Acquisition Planning and Pre-Award Policy" on January 12, 2009. This draft policy, currently under review, defines the roles and responsibilities of FPS and Office of Acquisition Management personnel in the conduct of acquisition planning and technical evaluations supporting the contract guard program. The policy will prescribe use of established templates by evaluation teams, as well as the appropriate composition and mix of staff on evaluations teams. It is anticipated that this policy will be completed by April, 30 2009.

OIG Analysis: The increase in staffing and FPS' proposed policy will help to ensure that technical evaluation teams are sufficiently staffed and Consolidated Contracting Group and regional program office staff perform thorough technical evaluations and award timely follow-on guard contracts. This recommendation is resolved but will remain open until we are able to review a copy of the finalized "Acquisition Planning and Pre-Award Policy."

Response to Recommendation #3

ICE Response: ICE concurs. The agency acknowledges the need for additional training of regional personnel who conduct technical evaluations. To improve, ICE now performs technical evaluations at a specific location where the technical team will have the Contracting Officer, ICE Office of Acquisition Policy, and the ICE Office of the Principal Legal Advisor available to help guide it through the evaluation process as it occurs. These technical evaluations begin with in-briefings, lessons learned from previous evaluations, and specific guidelines on how to perform the evaluations. Additionally, ICE plans to immediately begin including FPS regional personnel in Contract Review Board meetings, as well as provide best value training that specifically covers technical evaluation to regional program office personnel. ICE expects to have training developed and scheduled by no later than April 30, 2009.

OIG Analysis: Regional program office participation in Contract Review Boards and enhanced training and guidance should provide stronger evaluations of contractor technical proposals. This recommendation is resolved but will remain open until we have the opportunity to review the enhanced best value training curriculum and implementation schedule.

Oversight of FPS Guard Contracts

FPS is responsible for ensuring that guard service contractors comply with contract terms. However, FPS' oversight activities did not provide sufficient assurance that contractors satisfied requirements or deployed qualified contract guards. The four FPS regional program offices we visited conducted contract guard oversight differently. FPS did not consistently perform or document inspections of guards and guard posts, monitor guard certification records, thoroughly review contractor invoices, pursue deductions for contract violations, or regularly evaluate contractor performance. We attribute these shortfalls to FPS' need for improved oversight policies and procedures, an agencywide information system to collect and report results of inspections, and sufficient personnel dedicated to oversight functions. Until these are in place, FPS cannot ensure that guards are fully complying with contract requirements or FPS is fully using contractor past performance as a best value evaluation factor in guard service procurements. More important, insufficient oversight may lead to decreased security, putting federal employees, facilities, and visitors at risk.

Contract Guard and Post Inspections

Inspectors and COTRs in FPS regional program offices conduct inspections of guards and guard posts to ensure compliance with contract requirements. In the four regional program offices we visited, FPS inspectors and COTRs did not consistently perform guard inspections or regularly document and track the results of their inspections.

Inspection Approaches and Frequency

Regional program offices' inspection approaches varied widely. Some regions inspect the guards, but others inspect the guard posts. An inspection of every guard should ensure that all posts are covered; however, a guard post inspection may not cover all the guards assigned to that particular post. For example:

- Guard inspections cover items such as guard equipment and uniforms, compliance with sign in/sign out procedures and

equipment operating procedures, and possession of current certifications and licenses.

- Guard post inspections include stationary locations such as access control points and roving locations such as facility perimeters and garages.

Regional program offices also were inconsistent in the frequency of requirements for inspections. For instance, Region 11 requires that 90% of its buildings be inspected once per month, Region 3 requires only yearly post inspections, and Region 7 requires each guard to be inspected once per year. Inspection activities can vary within regions as well. For example, in Region 8, one supervisor requires weekly post inspections, while another supervisor requires two guard inspections per shift per day.

Inspection activities are inconsistent in part because FPS does not have specific, agencywide policies and procedures for conducting guard contract oversight. For example, the agency's *COTR Guidebook*, issued in August 2007, only describes very general procedures for monitoring contracts and does not specify the frequency or number of guard inspections. FPS Headquarters personnel explained that this guidebook was primarily issued to meet a deadline from ICE Office of Acquisition Management. Some COTRs and inspectors also use the *FPS Policy Handbook*, which indicates that FPS should conduct guard inspections frequently but does not provide clear instructions on the schedule or number of inspections to be conducted. This handbook has not been updated since February 2000, when FPS was under the GSA. As a result, the information is dated and the FPS staff may not be performing inspections in accordance with the agency's latest guard service expectations.

FPS does not have sufficient personnel dedicated to oversight functions. As such, competing priorities often prevent COTRs and inspectors from conducting guard inspections beyond their region's minimum requirements. For example, two of the four regional program offices we visited designated full-time COTRs, but these COTRs were assigned oversight responsibilities for multiple contracts. In one of these regions, three COTRs were responsible for overseeing 23 guard contracts. These COTRs were primarily desk officers and relied on inspectors to perform guard inspections.

Inspectors have conflicting priorities that require more time and are of more importance than their contract guard oversight duties. Two regions relied on inspectors who were designated as COTRs

on a single contract. Although designated as COTRs, regional program office officials explained that an inspector's primary responsibilities were to conduct building security assessments, perform law enforcement functions, and respond to emergency calls. One regional Area Commander agreed that inspectors designated as COTRs may have to devote more than a full workday to conducting building security assessments or performing law enforcement activities.

There is insufficient time for a COTR who also has inspection responsibilities to perform inspector duties and monitor the contract guard program. Finally, COTRs commented that they have no authority over inspectors and therefore cannot control the amount of time inspectors devote to contract guard oversight responsibilities.

Documentation of Inspection Results

FPS does not have a standardized system for FPS inspectors and COTRs to document and track the results of their guard inspections. Although each of the four regional program offices we visited developed spreadsheets to track guard inspections, they could not identify the actual number of inspections conducted. COTRs and inspectors may inspect their assigned buildings on a regular basis; however, they do not always document their activities using the required Contract Guard Inspection Report (GSA Form 2820) or capture all relevant inspection data in their local tracking systems. For example, one region recorded the first post inspection per year; yet if the post was inspected a second time, the inspection was not recorded. In another region, inspection results had not been recorded because of an administrative personnel shortage. Several inspectors also explained that they do not complete an inspection report unless they find discrepancies at a post or with a guard.

Until FPS develops a nationwide information system, its ability to collect and report the results of contract guard inspections will be limited. A standardized system would provide FPS managers with access to necessary information to evaluate building security, contractor performance, and frequency of inspections. A nationwide system would also provide FPS Headquarters with information to evaluate regional performance.

Guard Certifications

In the four regions we visited, COTRs were not consistently monitoring certification records to verify that guards were qualified according to contract requirements. Guard contractors are responsible for maintaining all licenses, permits, and certifications described in the statement of work. They also are responsible for maintaining the status of each element of the guards' certifications, such as suitability determinations, firearms requalification, and first aid training. These certifications are tracked by FPS personnel in the regional program offices.

FPS' agencywide Contract Guard Employment Requirements Tracking System (CERTS) is either not used or not consistently maintained by the regional program offices to track guard qualifications. In addition, local tracking spreadsheets used by one region were incomplete and outdated. We reviewed CERTS data for 100 contract guards to determine whether each guard had a favorable suitability determination and 12 other required certifications. We determined that 54 of the 100 guards had at least one expired or unrecorded certification field in CERTS. As detailed in table 1, the 54 guards had a total of 225 certifications that were either expired or not recorded in CERTS.

TABLE 1. EXPIRED OR UNRECORDED CERTIFICATIONS FOR 54 GUARDS

CERTIFICATION TYPE	# EXPIRED	# NOT RECORDED IN CERTS	TOTAL
1) Basic/Refresher Training	16	12	28
2) Baton	23	11	24
3) CPR	15	12	27
4) Domestic Violence	11	10	21
5) Drug Screening	0	15	15
6) Firearms License	2	5	7
7) Firearms Qualifications	11	10	21
8) First Aid	4	11	15
9) FPS Provided Training	0	15	15
10) High School Equivalency	0	17	17
11) Medical	7	12	19
12) Written Examination	0	2	2
13) Suitability Determination	4	0	4
Total	**93**	**132**	**225**

We also reviewed one region's local certification tracking spreadsheets for 25 guards. Although 12 of the 25 guards had current certifications, 8 guards had at least one expired certification. The certification records for the remaining five guards had not been recorded at the time of our review.

We attribute these monitoring inconsistencies to FPS not having formal written policies detailing regional requirements or responsibilities for monitoring certifications. Although a record must be initiated in CERTS to begin each guard's certification process, FPS has not mandated the exclusive use of CERTS for monitoring certifications. Consequently, FPS cannot ensure that contractors are complying with recertification requirements or that contract guards retain their knowledge of required areas.

Review of Invoices and Assessment of Monetary Deductions

Some regional program offices did not verify that contractors billed only for guard services that were actually performed. To verify that billing is accurate, FPS should compare the contractors' invoices with the guards' Records of Time of Arrival and Departure from Building (GSA Form 139). This is a time-consuming process, but it is the only mechanism FPS has to validate actual guard duty time. Two of the regional program offices we visited compared contractor invoices against a sample of GSA Form 139s. However, the other two regions compared invoiced hours against guard post exhibits, which identify the required coverage for each post as stated in the contract, not the actual hours worked. Several COTRs commented that they check GSA Form 139 when time permits or when they are made aware of a problem with a particular guard or post. One region's COTR discussed having a positive relationship with contractors and relied on them to submit accurate invoices.

FPS does not always take deductions against a contractor for services that are not provided in accordance with contract requirements. Deductions are the primary penalty mechanism available to address contractor nonperformance or inadequate services. The following are examples of potential contract violations:

- Failure to man posts
- Unarmed guards working at armed posts

- Guards working without valid certifications or suitability clearances
- Failure to provide required relief breaks for guards

At one region, we reviewed 34 inspection reports on which FPS inspectors identified such contractor deficiencies. Of the 34 inspection reports, 11 warranted a monetary deduction, which FPS did not assess. According to contracting office personnel, the COTR did not always effectively communicate inspection results for cost deduction processing, although the deficiencies were identified in the region's electronic database.

FPS is not consistently verifying invoices or assessing monetary deductions because the FPS *COTR Guidebook* does not specifically address these processes. Without clear guidance and sufficient staff to review contractor invoices and assess monetary deductions, FPS cannot ensure that the government pays only for actual services rendered.

Performance Evaluations

Contracting and regional program office personnel do not always conduct contractor performance evaluations as required by ICE's contractor performance evaluation procedures, and suggested by the FPS *COTR Guidebook*. According to this guidance, FPS must evaluate contractor performance against the requirements of the contract annually and at the conclusion of the contract for those exceeding $100,000.[2] The use of past performance as a major evaluation factor in the contract award process is instrumental in making "best value" selections and is one of the most important tools available for ensuring good contractor performance. Completion of past performance assessments also enables other federal agencies to identify the quality of, and customer satisfaction with, potential future work.

Performance evaluations did not always provide sufficient detail to describe contractor performance. Specifically, 3 of 11 evaluations provided by FPS regional program office and CCG personnel provided enough detail to accurately reflect the contractors' performance; the remaining 8 evaluations were composed of nondescriptive responses. To illustrate, one COTR rated the contractor's "timeliness of performance" element as "good," and

[2] Immigration and Customs Enforcement Contracting and Acquisition Procedure 0406.01.03, Contractor Performance Evaluation Procedures

noted that the contractor needed improvement; however, the COTR did not describe what the contractor needed to improve.

Furthermore, completed evaluations were not always recorded in the Contractor Performance System. The contracting officer or COTR must enter and finalize contractor evaluations in the system so that the information is available to all federal agencies for use in their contract award process. However, none of the 11 evaluations we reviewed were available in the Contractor Performance System. Of these 11 evaluations, 7 had been entered into the system but had not been finalized, even though the performance periods had ended as early as June 2005. The other five evaluations were not entered into the system at all.

We attribute the limited reporting of past performance to the agency's lack of emphasis on the use of the Contractor Performance System. In July 2007, the DHS Under Secretary for Management issued a memorandum that reemphasized the importance of past performance information, stating that a complete picture of a contractor's performance is possible only if each office assesses performance and enters the information into the system.

Quality Control Plans

COTRs do not use quality control plans to evaluate contractor performance. The FPS contract guard statement of work indicates that adequate and consistent quality control is an essential component of successful performance. The statement of work further provides that contractors shall conduct inspections according to their quality control plans and as frequently as necessary to ensure effective performance. A quality control plan shall include a description of the type, level, and frequency of inspections performed, as well as documentation of inspections performed by the contractor. FPS requires prospective contractors to describe their quality control plans or approaches as part of their proposals, or submit their plans to the contracting officer 10 days after the contract is awarded.

COTRs and inspectors explained that they have many conflicting priorities, such as conducting building security assessments, performing law enforcement functions, and responding to emergency calls, which often require more time but may be viewed as more important than their contract guard oversight duties. As a result, they are less likely to perform oversight duties, including obtaining quality control plans and monitoring contractor

inspections. Without obtaining quality control plans and reviewing contractors' inspection reports, FPS COTRs have no assurance that contractors are in compliance with their quality control plans and, therefore, with contract requirements.

Recommendations

We recommend that the Director of the Federal Protective Service:

Recommendation #4: Develop standardized policies and procedures to ensure that FPS personnel provide effective contract oversight. At a minimum, policies and procedures need to include performing and documenting inspections, reviewing invoices, assessing monetary deductions, evaluating contractor performance, and testing quality control plans.

Recommendation #5: Develop an agencywide information system to collect and report the frequency of all inspections and their results to provide nationwide FPS managers with the necessary information to evaluate building security and contractor performance.

Recommendation #6: Increase staffing and resources at the regional program offices to perform the necessary contract administration and oversight function over guard services.

Management Comments and OIG Analysis

ICE concurred with the recommendations and recognizes that improvement is needed in the oversight of guard contracts. As such, ICE has begun initiatives in each recommendation area.

Response to Recommendation #4

ICE Response: ICE concurs. FPS began addressing this issue through a number of initiatives prior to our review. Additionally, FPS has developed many standardized policies to govern the elements of guard contract oversight. Implementation of some of these policies is underway, while others remain under development.

The FPS Guard Contract Performance Monitoring policy, approved by the Director of FPS and scheduled for issuance in spring 2009, addresses specific responsibilities for FPS staff and requirements for both performing and documenting inspections, monitoring guard certifications, and evaluating contractor performance. Additionally, FPS is continuing to

improve and streamline its process for reviewing contractor invoices and assessing monetary deductions. FPS envisions many improvements will be realized with the deployment of the Risk Assessment Management Program. FPS plans to incorporate successful performance of guard contract oversight functions into individual performance goals and evaluation criteria for FPS staff.

OIG Analysis: FPS' efforts to implement standardized policies and procedures will improve its ability to conduct effective contract oversight. While the FPS Guard Contract Performance Monitoring policy addresses specific responsibilities for FPS staff and requirements for performing and documenting inspections, monitoring guard certifications, and evaluating contractor performance; the policy does not directly address how the agency will test contractor quality control plans. This recommendation is resolved, but will remain open until ICE addresses the testing of contractor quality control plans, finalizes policies for contract performance monitoring, and provides documentation of the successful implementation of the Risk Assessment Management Program information system.

Response to Recommendation #5

ICE Response: ICE concurs with this recommendation and acknowledges that improvement is needed in documenting the guard inspection process and outcomes. In 2007, FPS began requirements development and acquisition planning for the Risk Assessment Management Program information system. The new system will help maintain a complete inventory of all guard posts for each facility and contract; automate scheduling for guard post inspections; record completion of inspection reports; remind inspectors of upcoming inspection dates; and report inspection results. The Risk Assessment Management Program will also allow COTRs, contracting officers, and inspectors to access reports on performance of guard posts, contracts, and individual guards. Delivery of the first phase of this system is scheduled for early FY 2010.

OIG Analysis: The new information system should provide a central database for storing inspection results, scheduling guard post inspections, and tracking their frequency. These improvements meet the intent of our recommendation. The Risk Assessment Management Program will provide the documentation and standardization needed within the FPS Contract Guard program, and allow FPS managers to use historical data for evaluating building security and contractor performance. This recommendation is resolved, but will remain open until ICE provides reports demonstrating successful implementation of the Risk Assessment Management Program information system.

Response to Recommendation #6

ICE Response: ICE concurs with this recommendation and acknowledges that additional staffing is required to perform contract administration and oversight of guard services. FPS is in the midst of an unprecedented hiring initiative to increase federal staffing levels agency-wide. Specifically, FPS is increasing the number of federal law enforcement and mission support personnel. Should the Administration provide additional funding, the agency will continue to increase its staffing levels based on measurable needs of its new systems. ICE identified additional federal staffing enhancements for FY 2009 that would support contract administration and oversight of guard services. FPS will hire additional Program Managers, Contracting Officer's Technical Representatives, and Inspectors to provide guard contract administration and oversight. Additionally, FPS has obtained contract employees to serve as Security Assistants in each of its 11 regions.

OIG Analysis: Increasing staffing levels within the regional program offices will increase FPS' ability to provide sufficient contract administration and oversight for guard services. The staffing goals will improve guard contract administration expertise at the local level and will allow for greater monitoring of guard services. This recommendation is resolved, but will remain open until ICE provides documentation that it has completed its planned staffing enhancements.

The objectives of our audit were to determine whether FPS' award selection practices facilitate the procurement of guard service contracts in the government's best interests, and whether FPS' oversight activities provide reasonable assurance that contractors are satisfying requirements.

We obtained and reviewed applicable federal laws and regulations, ICE Contract and Acquisition Procedures, the FPS *COTR Guidebook*, and the FPS *Policy Handbook*. We also reviewed prior audit reports, testimony, congressional correspondence, and related documents.

We interviewed FPS Headquarters Contract Guard Program officials to discuss standards established for contract guard procurement and oversight. We also interviewed FPS personnel from the three CCG offices and four FPS regional program offices to understand the process for procuring and overseeing contract guard services.

We reviewed FPS contract and preaward files representing the 11 regions to identify whether contract files contained key decision documents. We also reviewed evaluation criteria and reports to identify whether FPS is consistently defining and applying best value criteria to its guard contracts. We reviewed files for 31 contracts awarded between March 2007 and April 2008 and 3 preaward contract files with an estimated total value of more than $529 million.

We reviewed documentation of oversight activities, such as inspection reports, invoices, guard certification documentation, and contractor performance evaluations. We examined guard files and CERTS data for 100 contract guards to determine whether guard certifications had expired. We examined GSA Forms 2820 and GSA Forms 139 submitted by inspectors to evaluate how the four FPS regional program offices monitor guard qualifications and contractor performance. We also assessed the process for identifying deficiencies and whether deductions were being processed against contractors for violation of contract requirements.

We did not evaluate the quality of inspections or GSA Form 139 audits. The scope of our review did not include FPS' contract suitability process or the quality of contractor processes for monitoring guard qualifications and ensuring compliance with other contract provisions.

We conducted our review at the three CCG offices located in Philadelphia, PA; Fort Worth, TX; and Denver, CO. Additionally we visited four regional program offices located in Philadelphia, PA; Fort Worth, TX; Denver, CO; and Washington, DC.

We conducted the audit according to generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. We conducted fieldwork between May and October 2008 under the authority of the *Inspector General Act of 1978*, as amended.

We appreciate the cooperation and courtesies extended to our audit team by FPS.

Office of the Assistant Secretary

U.S. Department of Homeland Security
500 12th Street, SW
Washington, DC 20536

U.S. Immigration and Customs Enforcement

February 5, 2009

MEMORANDUM FOR: Richard Skinner
Office of Inspector General

FROM: John P. Torres
Acting Assistant Secretary

SUBJECT: ICE Response to OIG Draft Report: "Federal Protective Service Contract Guard Procurement and Oversight Process, January 2009"

U.S. Immigration and Customs Enforcement (ICE) appreciates the opportunity to address the Office of the Inspector General's (OIG) recommendations in the subject report.

Please note that page 2, subparagraph (1) of the audit report states "Consolidated Contract Group (CCG): Located within FPS' Acquisition Management Division, the CCG is responsible for awarding and administering guard contracts." As a point of clarification, CCG employees are part of ICE Office of Acquisition Management (OAQ) and provide contracting support to the Federal Protective Service (FPS) for guard services and any other FPS mission-related acquisitions.

OIG Recommendation 1: "Refine and complete standardized procedures and templates to ensure that the Federal Protective Service consistently solicits and awards guard contracts in the government's best interests."

ICE Response to Recommendation 1: ICE concurs. OAQ and FPS continue to refine existing templates and develop new templates and standardized policies and procedures within the contract guard acquisition program to ensure contracts are awarded in the government's best interest. The following is a brief background addressing some of the audit findings in this area, as well as steps already taken and planned toward increased standardization:

Background:

OAQ issued a Request for Quotations (RFQ) Template and Evaluation Guide in August 2007 to be used when procuring guard services under the authority of the Federal Acquisition Regulation (FAR) Part 8.4, Federal Supply Schedules (FSS). The template is posted on the ICE Virtual Acquisition Office (VAO) web site and is updated and maintained jointly by FPS and OAQ.

www.ice.gov

The template was developed as a joint initiative between FPS and OAQ to promote standardization and efficiency. All employee comments were reviewed and considered before acquisition and program policy staff finalized the template.

The audit identified disparate use of evaluation factors, and in some cases, lack of use of the template. While it is ICE's intent to maximize use of the template, there might be instances where different evaluation criteria are appropriate. ICE considers unique circumstances associated with each requirement to ensure the acquisition strategy is sound and meets the agency's needs. Some of the factors that are considered in this process include market research results, customer needs, unique state/local requirements, local market conditions, and resource constraints (if any). While ICE continues to work to achieve consistency in the procurement of guard services, there might be circumstances where the use of the template would not provide the "best value" as defined in FAR 2.101. ICE acknowledges that it has yet to issue formal guidance to specifically advise when it is appropriate to deviate from the template, or what approvals are required in those instances.

Improvement Initiatives:

Significant use of the standardized RFQ template and implementation of the Contract Review Board (CRB) process within OAQ over the past year has resulted in the identification of lessons learned and opportunities for improvement. In summary, ICE has either already begun or is planning to address these opportunities as follows:

- OAQ completed a full review and revision of the RFQ template on January 9, 2009 to incorporate best practices, lessons learned, and increased standardization. Some of the significant proposed changes include a complete re-write of the Management Approach factor (and its mandatory use), as well as significant enhancements in the evaluation of pricing on guard service procurements. The draft revision is under review and ICE anticipates that the review process will be completed by February 28, 2009.
- OAQ intends to issue the revised RFQ template to the workforce, along with guidance concerning exceptions to its use, not later than March 15, 2009.
- Additional procurement templates are also in progress. OAQ is developing a Request for Proposal (RFP) template for acquiring security guard services under the authority of FAR Part 15 (Contracting by Negotiation) and FAR Part 12 (Acquisition of Commercial Items). It is anticipated that this template will be completed by April 30, 2009.

OIG Recommendation 2: "Allocate sufficient Consolidated Contracting Group and regional program office staff to perform thorough technical evaluations and award timely follow-on guard contracts that are in the government's best interests."

ICE Response to Recommendation 2: ICE concurs. The audit report makes several references to inadequate or disparate staffing of evaluation teams in support of the acquisition of guard services. ICE acknowledges that proper and timely staffing of technical evaluations teams was a challenge during the period covered by the audit, particularly with the number of simultaneous acquisitions in

progress and the highly competitive bidding environment for guard services procurements at that time. Significant increases in personnel staffing of Contract Specialists within OAQ and Inspectors within FPS during 2007-2008 will help resolve this issue. OAQ and FPS have also specifically made progress in the proper re-sourcing of technical evaluations teams as follows:

- FPS completed the development of draft policy, "Acquisition Planning and Pre-Award Policy" on January 12, 2009. The draft policy, currently under review, defines the roles and responsibilities of FPS and OAQ personnel in the conduct of acquisition planning and technical evaluations in support of the contract guard program. The policy will prescribe use of established templates by evaluation teams, and will also prescribe the appropriate composition/mix of staff on evaluations teams. It is anticipated that this policy will be finalized and distributed by February 28, 2009.

OIG Recommendation 3: "Provide training to the regional program office personnel who participate in technical evaluations so that they can successfully evaluate contractor technical proposals to award best value guard contracts."

ICE Response to Recommendation 3: ICE concurs with this recommendation and acknowledges the need for additional training of regional personnel who conduct technical evaluations. To date, ICE has employed varying approaches that provide for an ongoing assessment of the quality of evaluations being conducted as well as approaches that provide more direct oversight of the process and real-time training as the task is being performed. In addition to the information concerning quality and training needs that can be garnered during standard ICE legal and acquisition policy reviews, OAQ established a Contract Review Board (CRB) process in October 2007 for the purposes of reviewing and approving contracting actions at critical decision points in the acquisition process. The CRB helps ensure that the government receives best value for these acquisitions.

The CRB process also promotes standardization of evaluation criteria and processes to the maximum extent practical. The OIG's observations about the CRB process confirm ICE's belief that the process is effective and that it leads to appropriate award decisions. As part of the CRB process, senior acquisition and legal staff have an opportunity to review the conduct of technical evaluations, and determine whether there are any gaps in quality or training needs in a particular area.

OAQ and FPS have also adopted a process whereby technical evaluations are performed at a specific location, where the technical team will have the Contracting Officer, Policy and the ICE Office of the Principal Legal Advisor (OPLA) available to help guide it through the evaluation process as it is occurring. This type of real-time training is extremely valuable in applying classroom or textbook procedures to a real procurement. Each of these technical evaluations now begin with an in-briefing meeting and lessons learned from previous evaluations and specific guidelines on how to perform the instant evaluation.

ICE anticipates that continued and expanded use of the standard templates and evaluation guides will serve as a tool for regional personnel that will enhance their knowledge and application of the

process. The following additional steps are planned to enhance the training of regional personnel in the conduct of technical evaluations:

- ICE will immediately begin including FPS regional personnel in appropriate CRB meetings about their procurements.
- In 2007, OPLA provided best value training to several OAQ and FPS regional personnel in Philadelphia. This initiative will be expanded and tailored to specifically cover Technical Evaluation training to regional personnel. ICE expects to have training developed and a training schedule established not later than April 30, 2009.

OIG Recommendation 4: "Develop standardized policies and procedures to ensure that FPS personnel provide effective contract oversight. At a minimum, policies and procedures need to include performing and documenting inspections, reviewing invoices, assessing monetary deductions, evaluating contractor performance, and testing quality control plans."

ICE Response to Recommendation 4: ICE concurs with this recommendation and acknowledges that improvement is needed in the oversight of guard contracts. Prior to this OIG review, FPS had begun to address this issue through a number of initiatives. While some of these initiatives require more time before significant results can be demonstrated, others show more immediate enhancements to oversight.

FPS has developed standardized policies that govern the various elements of guard contract oversight. Vigorous implementation of these policies is underway but will require some time to demonstrate results. Policies include:

- FPS-08-004: Contract Guard Program
- FPS-08-003: Contract Guard Post Desk Book Program
- FPS-08-007: Oversight of Contractor-Provided Training
- FPS-08-008: Guard Contract Written Examination Program
- FPS-09- : Suitability Screening Requirements for FPS Contract Guards (Draft)
- FPS-09- : Guard Contract Performance Monitoring (Draft)

In all cases, FPS will incorporate the successful performance of guard contract oversight functions as defined in these policies into the individual performance goals and evaluation criteria for FPS staff.

Although they all address FPS responsibilities for various aspects of the program, the FPS Guard Contract Performance Monitoring Policy most directly addresses this recommendation. This policy defines specific responsibilities for FPS staff and requirements for both performing and documenting inspections as well as evaluating contractor performance including, but not limited to the following:

1. FPS will conduct inspections of guard posts using Form 2820 "Title of Form,"at a defined frequency based on the Facility Security Level, to verify that:

    - Each post is staffed as required.

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- All guards on duty are properly signed in using Form 139.
- Each guard inspected meets grooming standards, is in the proper uniform, and is in possession of all certification cards and required weapons permits.
- Post equipment is accounted for and well-maintained.
- The Post Desk Book is located at the post, that it is current, and that the guard is knowledgeable of the applicable post orders.

Additional guard post inspection process improvements will be realized in FY2009 through the automation of the post inspection process as part of the Risk Assessment and Management Program (RAMP) Phase I deployment. Capabilities include, but are not limited to:

- Maintaining a complete inventory of all guard posts, their assigned inspection frequency, and a record of their inspection history.
- Providing reminders to FPS Inspectors of upcoming post inspections and reports to COTRs and Contract Guard Program Managers with the list of posts that are due to be inspected and those that have been inspected.
- Associating and reporting on the results of the post inspection with regard to the Guard Company, guard (if applicable), contract, and facility.

2. FPS will manage the contract guard certification process to ensure that all guards are properly certified prior to assuming a guard post.

   Additional guard certification process improvements will be realized in FY 2009 through automation of the guard certification management process as part of the RAMP Phase I deployment. Capabilities include, but are not limited to:

   - Notification to guard companies of their employee's certification status with alerts when expiration is within 30 days;
   - Entry of contract guard certification information submitted by guard companies into the database; and,
   - Reclassification of a contract security guard as not certified to perform on an FPS contract if any of the certification requirements stipulated by the contract are not met or expired.

   To support a smooth data migration effort from Contract Guard Employment Requirements Tracking System (CERTS) to RAMP, FPS will immediately require that all FPS contract guard certification information be updated in CERTS in preparation for the migration of the data into the RAMP system.

   FPS will conduct other oversight activities related to ensuring compliance with specific guard certification requirements including:

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- Oversight of contractor-provided training and weapons qualification to ensure compliance with requirements stipulated in the guard services contract.
- Proctoring written examinations provided for FPS contract security guards to ensure integrity of the process and results.
- Conducting suitability determinations for contract security guards based on requirements stipulated in the guard services contract, managing the suitability process, and maintaining up to date suitability status.

3. FPS will evaluate contractor performance in accordance with the Immigration and Customs Enforcement Contract and Acquisition Procedure (ICECAP 0406.01.03 entitled "Contractor Performance Evaluation Procedures"). FPS will ensure COTRs comply with this instruction and provide Contracting Officers with the results of their performance evaluation.

   Additional contractor performance evaluation process improvements will be realized through:

   - Developing and distributing instructional materials on completing the forms to ensure consistency of input and sufficient detail to inform future procurement actions.
   - Incorporating performance evaluation into the FPS RAMP information technology system to facilitate input to the Contractor Performance System (CPS) and evaluation against the Quality Control Plan through scheduled reminders to COTRs that evaluations are due, reports of evaluation completion status, and storing results for reference by other FPS COTRs.
   - Incorporating the storage of all guard contract files in a centralized repository to facilitate review of contract performance.

4. FPS will continue to improve and streamline its process of reviewing submitted invoices to verify that the contractor's bill only for the services that were actually performed and assess monetary deductions from invoices for services not provided in accordance with the contract requirements.

   Additional invoice review and monetary deduction process improvements will be realized through the development and implementation of an automated guard post tracking system. During FY 2009 FPS will complete acquisition planning and procurement for the Post Tracking System (PTS) to track and report all guard hours required, worked, and thereby facilitate invoice review. This system will replace the current paper GSA Form 139 used to record the guard's time of arrival and departure from the building. Moreover, it will facilitate the comparison between the submitted invoice with the guard contract and post orders (hours ordered). The automated comparison process will provide FPS with a tremendously improved front end process for assessing and tracking invoice deductions. In addition, it will:

   - Integrate with the RAMP database to allow only guards with current certifications to be added to a post roster.

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- Flag any hours logged by a guard that was not certified during the period when the hours were charged.
- Integrate with the FPS Communication Centers (e.g., MegaCenters) to alert FPS when a guard post is not manned and facilitate immediate notification of the guard company to man the post and document the time lapse.

To ensure that the human element of this function keeps pace with the new technology, FPS is analyzing the process's input nodes and will revise its COTR manual to validate and simplify the procedures for assessing monetary deductions against invoices submitted for payment.

OIG Recommendation 5: "Develop an agency-wide information system to collect and report the frequency of all inspections and their results to provide nationwide FPS managers with the necessary information to evaluate building security and contractor performance."

ICE Response to Recommendation 5: ICE concurs with this recommendation and acknowledges that improvement is needed in the documentation of guard inspection process and outcomes. In addition to the activities provided in response to Recommendation #4, in 2007 FPS began developing the requirements and acquisition planning for the Risk Assessment Management Program (RAMP), a robust, automated, integrated information management system that will be deployed in several phases to manage the vast information generated, transmitted, and used by FPS inspectors, supervisors, managers, and administrators. Delivery of the first phase of this system is scheduled for early FY 2010, and it will include inspection documentation process improvements that:

- Maintains a complete inventory of all guard posts associated with each facility and guard contract;
- Automates the scheduling of the guard post inspections based on the facility security level of the facility in which they are locate;
- Provides reports and reminders to Inspectors and COTRs with the posts that are due to be inspected within a defined timeframe;
- Sends reports with the overall inspection status of all guard posts – documenting the date of completion (or due date) for inspection as well as the results of the inspection;
- Automates completion of the Guard Post Inspection Form 2820 using a ruggedized tablet-style laptop with a wireless connection so that results are incorporated into the centralized database at the time of inspection; and,
- Provides user-based access to the RAMP database for COTRs, Contracting Officers, and Inspectors so that they can access and report on the performance of guard posts, guard contracts, and individual guards.

OIG Recommendation 6: "Increase staffing and resources at the regional program offices to perform the necessary contract administration and oversight function over guard services."

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ICE Response to Recommendation 6: ICE concurs with this recommendation and acknowledges that additional staffing is required to perform the necessary contract administration and oversight function over guard services. Over the past year, FPS has engaged in an unprecedented hiring initiative to increase federal staffing levels agency wide. After several years of downsizing and attrition, this hiring initiative is providing additional staff to conduct oversight. Specifically, FPS is increasing Federal law enforcement personnel agency-wide to 900 strong and mission support personnel to 325 strong in FY 2009. Should the Administration provide additional funding, FPS could continue to increase staffing levels based on measurable needs identified through RAMP, Computer-Aided Dispatch Information System (CADIS) and performance measures currently being developed.

Additional federal staffing enhancements to support contract administration and oversight over guard services planned for FY2009 include, but are not limited to the following:

- Establish a position for a Level III Program Manager in the FPS HQ Risk Management Division
- Establish positions for, and hire, Program Managers within each region and at FPS Headquarters to provide specific guard contract administration expertise.
- Continue to increase the number of trained Contracting Officer's Technical Representatives (COTRs) to ensure that staff providing oversight have the proper skill set.
- Continue to hire Inspectors to increase the number of staff who are available to provide oversight over guard services.
- Implement FPS policy to ensure the proper re-sourcing of technical evaluation teams.

In addition to the federal staffing increases, FPS has obtained contract employees to serve as Security Assistants in each of its 11 regions. Among their other duties, these individual provide security support functions such as assisting with processing and tracking Security Work Authorizations and funding requisitions; tracking cost estimates; finalizing security reports of assessments and evaluations; processing invoices, reviewing duty logs, performing data entry tasks, administering training records, management plans, and post orders; and processing and tracking contract documents.

Security Assistants will also support regional physical security programs including the Contract Security Program and the Law Enforcement and Security Program by processing security work authorizations, processing funding requisitions, performing data entry tasks in security databases, finalizing assessment reports, generating post orders; and tracking contract requirements documents, post inspection reports, and contract compliance/performance evaluation reports.

ICE believes that the steps it is taking to address the issues raised in this report respond to each of the OIG recommendations and will result in a better-managed and more accountable procurement and oversight process.

Should you have questions or concerns, please contact Margurite Barnes, OIG Portfolio Manager at (202)732-4161 or by e-mail at Margurite.Barnes@dhs.gov.

Appendix C
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