

GAO

Report to the Ranking Member,
Committee on Homeland Security,
House of Representatives

July 2011

FEDERAL PROTECTIVE SERVICE

Progress Made but Improved Schedule and Cost Estimate Needed to Complete Transition

U.S. Government Accountability Office

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ACCOUNTABILITY ★ INTEGRITY ★ RELIABILITY



Highlights of [GAO-11-554](#), a report to the Ranking Member, Committee on Homeland Security, House of Representatives

Why GAO Did This Study

Events such as the February 2010 attack on the Internal Revenue Service offices in Texas, and the shooting in the lobby of the Nevada federal courthouse, demonstrate the vulnerabilities of federal facilities and the safety of the federal employees who occupy them. The Federal Protective Service (FPS) is the primary agency responsible for the security of over 9,000 federal government facilities across the country. The fiscal year 2010 DHS appropriations act transferred FPS from Immigration and Customs Enforcement (ICE) to the National Protection and Programs Directorate (NPPD), within the Department of Homeland Security (DHS). This report addresses (1) the extent to which the FPS transition has been implemented and any remaining related challenges, and (2) the extent to which the transition will help address previously identified challenges to protecting federal facilities. GAO reviewed the 2009 FPS-NPPD transition plan; agreements between FPS, NPPD, and ICE, and best practices for scheduling and cost estimating; and interviewed DHS officials.

What GAO Recommends

GAO recommends that DHS improve the schedule for transferring IT services to reflect scheduling best practices, and update the IT transition cost estimate, in accordance with cost-estimating best practices. DHS concurred with GAO's recommendations.

View [GAO-11-554](#) or key components. For more information, contact David C. Maurer at (202) 512-9627 or maurerd@gao.gov.

July 2011

FEDERAL PROTECTIVE SERVICE

Progress Made but Improved Schedule and Cost Estimate Needed to Complete Transition

What GAO Found

Since October 2009, FPS's facility protection mission and 13 of 18 mission-support functions have transferred from ICE to NPPD; however, the transition schedule for the 5 remaining mission-support functions has been delayed. For example, while functions such as human capital and budget formulation have been transferred, information technology (IT) services, business continuity and emergency preparedness, facilities, personnel security, and equal employment opportunity have not. In August 2009, DHS reported to Congress that the transition of these functions would be completed by October 2010. DHS now reports that it plans to complete the transfer of 4 of the 5 remaining mission-support functions by September or October 2011, and estimates that the transfer of IT services will not be complete until October 2012. DHS developed a transition plan to guide the planning and execution of the transfer. Among other things, the plan called for schedules with detailed tasks and end dates to be developed for all mission-support functions to ensure critical path activities were identified, managed, and resourced. DHS also developed a detailed schedule to manage the transfer of IT services, as called for in the transition plan. However, GAO's analysis of the schedule found that it did not reflect GAO's best practices for scheduling such as capturing, sequencing, and assigning resources to all activities necessary to accomplish the work. When a schedule does not accurately reflect the project, it will not serve as an appropriate basis for analysis and may result in unreliable completion dates and delays. As of May 2011, DHS estimated that it would cost \$6.2 million to complete the IT transition. GAO's analysis of this cost estimate found it did not meet all the characteristics of a reliable cost estimate. For example, the estimate was not well documented because it was not supported by detailed explanation describing how the estimate was derived and did not include sufficient detail so that GAO could corroborate it. By incorporating cost estimation best practices for the IT transition cost estimate, DHS could enhance the estimate's reliability and better inform decisions about the cost to complete the transition.

The transfer of FPS to NPPD could provide DHS the opportunity to better advance progress towards addressing FPS's challenges to protecting federal facilities that have been previously identified by GAO. Since 2007, GAO has reported that FPS faces significant challenges with protecting federal facilities. The transition plan noted that the transfer of FPS to NPPD would improve the mission effectiveness of both agencies. NPPD officials explained that the agency has undertaken actions that serve as a foundation for integrating FPS into NPPD. For example, FPS has begun to develop a new strategic plan to align FPS's activities and resources to support NPPD mission-related outcomes. Additionally, NPPD is assisting FPS in developing a human capital strategic plan, as recommended by GAO in July 2009. These steps are encouraging, but it is too early to tell if these planned actions will help address challenges previously identified by GAO.

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Abbreviations

CIO	Chief Information Officer
COMSEC	Communication Security
DHS	Department of Homeland Security
EEO	Equal Employment Opportunity
FOIA	Freedom of Information Act
FPS	Federal Protective Service
GSA	General Services Administration
ICE	Immigration and Customs Enforcement
IPAC	Intra-Governmental Payment and Collection
IT	Information Technology
MOA	Memorandum of Agreement
MOU	Memorandum of Understanding
NPPD	National Protection and Programs Directorate
OGC	Office of the General Counsel
OMB	Office of Management and Budget
OPLA	Office of the Principal Legal Advisor
PBS	Public Buildings Service
SES	Senior Executive Service
SLA	Service Level Agreement
US-VISIT	United States Visitor and Immigrant Status Indicator Technology

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G A O

Accountability * Integrity * Reliability

United States Government Accountability Office
Washington, DC 20548

July 15, 2011

The Honorable Bennie G. Thompson
Ranking Member
Committee on Homeland Security
House of Representatives

Dear Mr. Thompson:

Events such as the February 2010 attack on the Internal Revenue Service offices in Texas, and the January 2010 shooting in the lobby of the Nevada federal courthouse, demonstrate the vulnerability of federal facilities and the threat to the safety of federal employees who occupy them. These events also highlight the continued challenges involved in protecting the over 1 million government employees who work in federal facilities, and members of the public who visit such facilities each year. The Federal Protective Service (FPS), established in 1971 as the uniformed protection force of the General Services Administration (GSA), is the primary agency responsible for the security of over 9,000 federal government facilities across the country, including buildings; grounds; and property owned, occupied, or secured by the federal government.¹

FPS was transferred from GSA's Public Buildings Service to the Department of Homeland Security (DHS), with enactment of the Homeland Security Act of 2002.² Within DHS, FPS was originally a part of Immigration and Customs Enforcement (ICE).³ However, the fiscal year 2010 DHS appropriations act transferred FPS from ICE to the National Protection and Programs Directorate (NPPD), within DHS, and the transfer became effective when the act was signed into law on October

¹The GSA Administrator established FPS in January 1971 through an administrative order.

²Pub. L. No. 107-296, § 403, 116 Stat. 2135, 2178 (2002) (codified at 6 U.S.C. § 203).

³ICE is the principle investigative arm of DHS and the second largest investigative agency in the federal government. ICE's primary mission is to promote homeland security and public safety through the criminal and civil enforcement of federal laws governing border control, customs, trade, and immigration.

28, 2009.⁴ DHS proposed this transfer to better align FPS's facility protection mission with NPPD's broader critical infrastructure protection mission.

In light of FPS's critical role of protecting federal facilities against the threat of terrorism and other criminal activity, it is important that FPS's transfer to NPPD be successful. In addition to the inherent challenges any organization would face in becoming part of another agency, our prior work reviewing the operations of FPS and its ability to protect federal facilities has shown that FPS brings a set of unique operational, management, and funding challenges to NPPD that have a bearing on its ability to accomplish its mission.⁵ The challenges include managing its contract guard force, establishing a comprehensive human capital strategy, evaluating its funding structure, and developing a risk management framework that links threats and vulnerabilities to resource requirements. Over the past 5 years, we have made numerous recommendations to address these challenges. For example, we recommended FPS improve its long-term human capital planning, develop and implement performance measures in various aspects of its operations, and improve its data collection and quality across its operations. While FPS has generally agreed with all of our recommendations, it has not completed many related corrective actions. If not properly planned and effectively implemented, the transition could not only hamper FPS's ability to carry out its mission, but impede its progress in addressing its long-standing challenges.

⁴Pub. L. No. 111-83, 123 Stat. 2142, 2156-57 (2009). NPPD was formed by the Secretary of Homeland Security after enactment of the Post-Katrina Emergency Management Reform Act of 2006, and its goal is to advance DHS's risk-reduction mission. NPPD works to reduce risks to the nation through five mission areas: protect the nation's citizens and visitors against dangerous people and goods; protect the nation's physical infrastructure; protect and strengthen the nation's cyber and communications infrastructure; strengthen DHS's risk management platform; and strengthen partnerships and foster collaboration and interoperability.

⁵See for example, GAO, *Budget Issues: Better Fee Design Would Improve Federal Protective Service's and Federal Agencies' Planning and Budgeting for Security*, [GAO-11-492](#) (Washington, D.C.: May 20, 2011); *Homeland Security: Addressing Weaknesses with Facility Security Committees Would Enhance Protection of Federal Facilities*, [GAO-10-901](#) (Washington, D.C.: Aug. 5, 2010); and *Homeland Security: Federal Protective Service's Contract Guard Program Requires More Oversight and Reassessment of Use of Contract Guards*, [GAO-10-341](#) (Washington, D.C.: Apr. 13, 2010).

DHS prepared a transition plan for the realignment of FPS that describes the department's ongoing planning efforts, cost estimates, and a timeline for the planning and execution process, but members of Congress raised questions about whether the plan provided sufficient information about how the department would address FPS's challenges.⁶ You requested that we review the department's transition efforts. This report addresses (1) the extent to which the FPS transition has been implemented and any challenges FPS and NPPD face in implementing the transition; and (2) the extent to which the transition will help address previously identified challenges to protecting federal facilities.

To answer the first objective, we reviewed relevant documents, including the August 2009 FPS-NPPD Transition Plan, transition plan updates, the Memorandum of Agreement (MOA), the Memorandum of Understanding (MOU), and all service level agreements (SLA)⁷ signed among FPS, NPPD, and ICE.⁸ We interviewed members of the senior-level working group, as well as members of all working groups that were established to carry out the transition in 18 mission-support functions, to discuss the extent to which the mission-support functions had transferred from ICE to NPPD.⁹ In addition, we interviewed the FPS Deputy Director, Chief of Staff, regional and deputy regional directors, and mission support chiefs from 6 of the 11 FPS regions around the country on a range of issues related to the transition of FPS to NPPD. We compared the FPS information technology (IT) transition schedule, the IT transition cost

⁶Department of Homeland Security. *FPS-NPPD Transition Plan: A Proposed Organizational Transition Fiscal Year 2009 Report to Congress* (Aug. 21, 2009).

⁷The MOU is a document that describes broad concepts of mutual understanding, goals and plans shared by the parties. The MOA is a document describing in detail the specific responsibilities of, and actions to be taken by, each of the parties so that their goals may be accomplished. The SLAs are agreements that define customer service expectations and responsibilities between two or more parties and are used to communicate baseline mission service requirements.

⁸The SLAs established the scope of services ICE would provide to FPS during the transition period of October 2009 to September 2010, and in some cases into fiscal year 2011.

⁹The 18 mission-support functions are: operations; human capital; employee and labor; training, professional development, and education; budget formulation and performance; financial management; procurement management and operations; logistics and asset management; acquisitions; legislative affairs; public affairs; information management; legal services; information operations (information technology services); business continuity and emergency preparedness; security integrity and personnel security; facilities; and equal employment opportunity.

estimate, and related documents to the practices in our Cost Estimating and Assessment Guide.¹⁰ We did a detailed analysis of the IT services mission-support function because it required a significant commitment of resources, oversight, and time by DHS to complete the transition. We also obtained and analyzed financial documentation from the components' accounting systems to identify transition costs.¹¹ To assess the reliability of this documentation, we (1) performed electronic testing for obvious errors in accuracy and completeness, (2) compared the data with other sources of information, such as cost data from the ICE Office of Financial Management and documentation from the Intra-Governmental Payment and Collection (IPAC) system, and (3) interviewed agency officials knowledgeable about financial management and budgeting at all three agencies to understand the data and to identify any data problems.¹² When we found discrepancies (such as data entry errors) we brought them to the officials' attention and worked with them to correct discrepancies before concluding our analysis. We determined that the data were sufficiently reliable for the purposes of this report.

To answer the second objective, we reviewed our prior work on challenges facing FPS in its efforts to protect federal facilities. We also reviewed and analyzed documentation, such as the transition plan, testimony from key senior leaders in FPS and NPPD provided for a hearing on the FPS transition, FPS's strategic plan, and NPPD's strategic activities report. Finally, we interviewed the Senior Counselor to the Under Secretary of NPPD, and FPS Deputy Director for Operations and Chief of Staff and discussed actions underway or planned to further address FPS's challenges.

We conducted this performance audit from October 2010 through July 2011 in accordance with generally accepted 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 the evidence provides a reasonable basis for our findings and conclusions based on

¹⁰GAO, *GAO Cost Estimating and Assessment Guide: Best Practices for Developing and Managing Capital Program Costs*, [GAO-09-3SP](#) (Washington, D.C.: Mar. 2009).

¹¹DHS officials define transition cost as the increase in the cost of mission-support functions as a result of FPS's transfer.

¹²The IPAC system is designed to transfer funds between government agencies and provide the capability to include descriptive information related to each transaction.

our audit objectives. Appendix I contains more details on our scope and methodology.

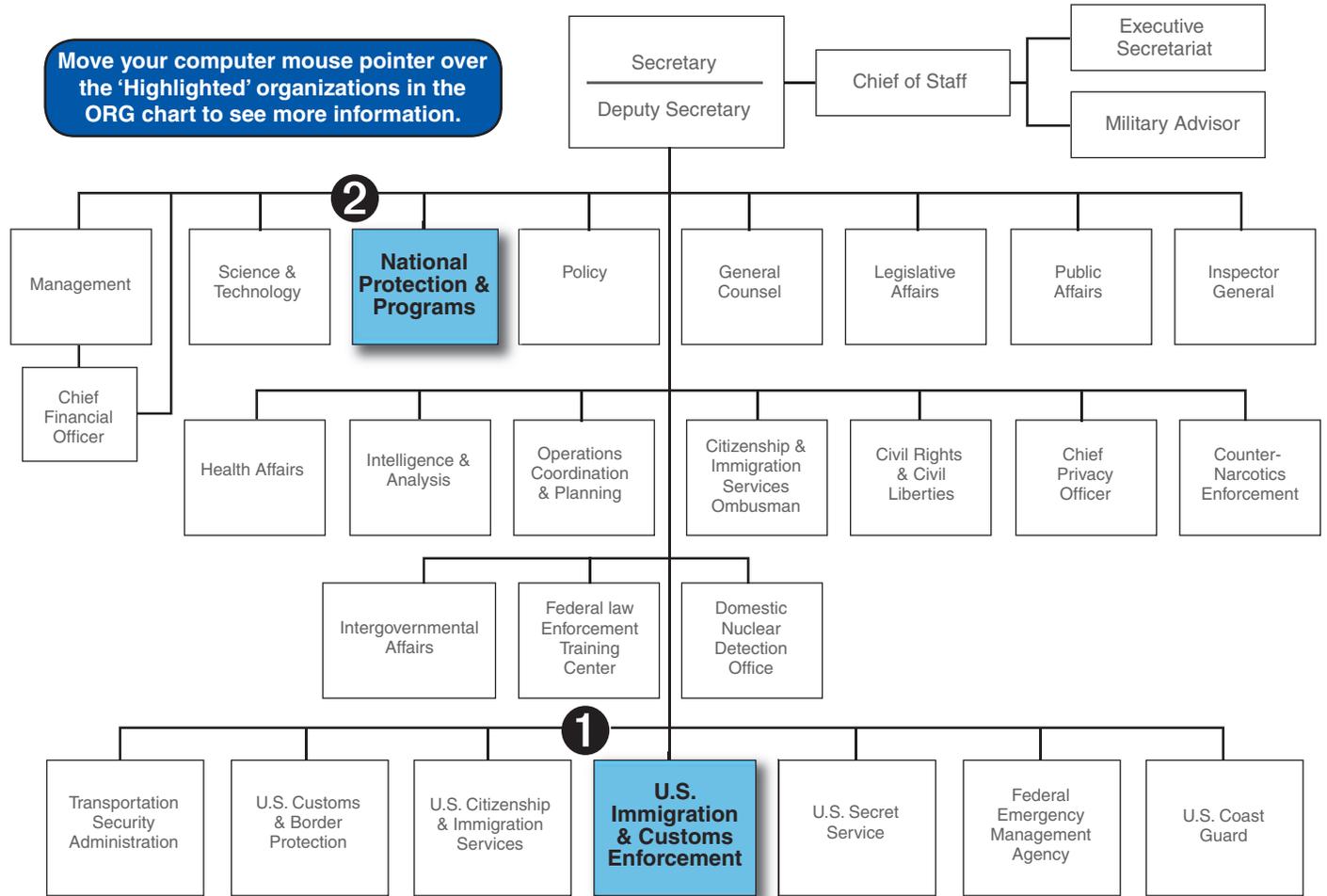
Background

FPS was established in 1971 as the uniformed protection force of GSA government-occupied facilities. The mission of FPS is to render federal properties safe and secure for federal employees, officials, and visitors in a professional and cost-effective manner by deploying a highly trained and multi-disciplined police force. FPS was originally located within GSA's Public Buildings Service (PBS). As part of PBS, FPS was responsible for providing law enforcement and security services to GSA's tenants and the public at federal buildings nationwide.

The Homeland Security Act of 2002 established DHS to prevent and mitigate the damage from terrorist attacks within the United States, which includes terrorism directed at federal facilities. Under the act, FPS was transferred from the GSA to DHS. DHS later placed it within ICE. The President's fiscal year 2010 budget requested the transfer of FPS from ICE to NPPD. Language in the budget request stated that FPS responsibilities, such as providing physical security and policing of federal buildings, establishing building security policy, and ensuring compliance, are outside the scope of ICE's immigration and customs enforcement mission and are better aligned with NPPD's mission. The transfer of FPS to NPPD became effective when the fiscal year 2010 DHS appropriations act was signed into law on October 28, 2009. Figure 1 shows FPS's move within DHS from ICE to NPPD.

Figure 1: DHS Organizational Chart Showing FPS's Movement from ICE to NPPD

Department of Homeland Security



Source: DHS.

To accomplish its mission, in 2011 FPS has a total budget authority of about \$1 billion, currently employs 1,225 federal staff, and about 13,000 contract guard staff to secure over 9,000 GSA owned or leased facilities. FPS conducts law enforcement activities as well as risk assessments to reduce facility vulnerability to criminal and terrorist threats and helps to ensure that facilities are secure and occupants are safe.

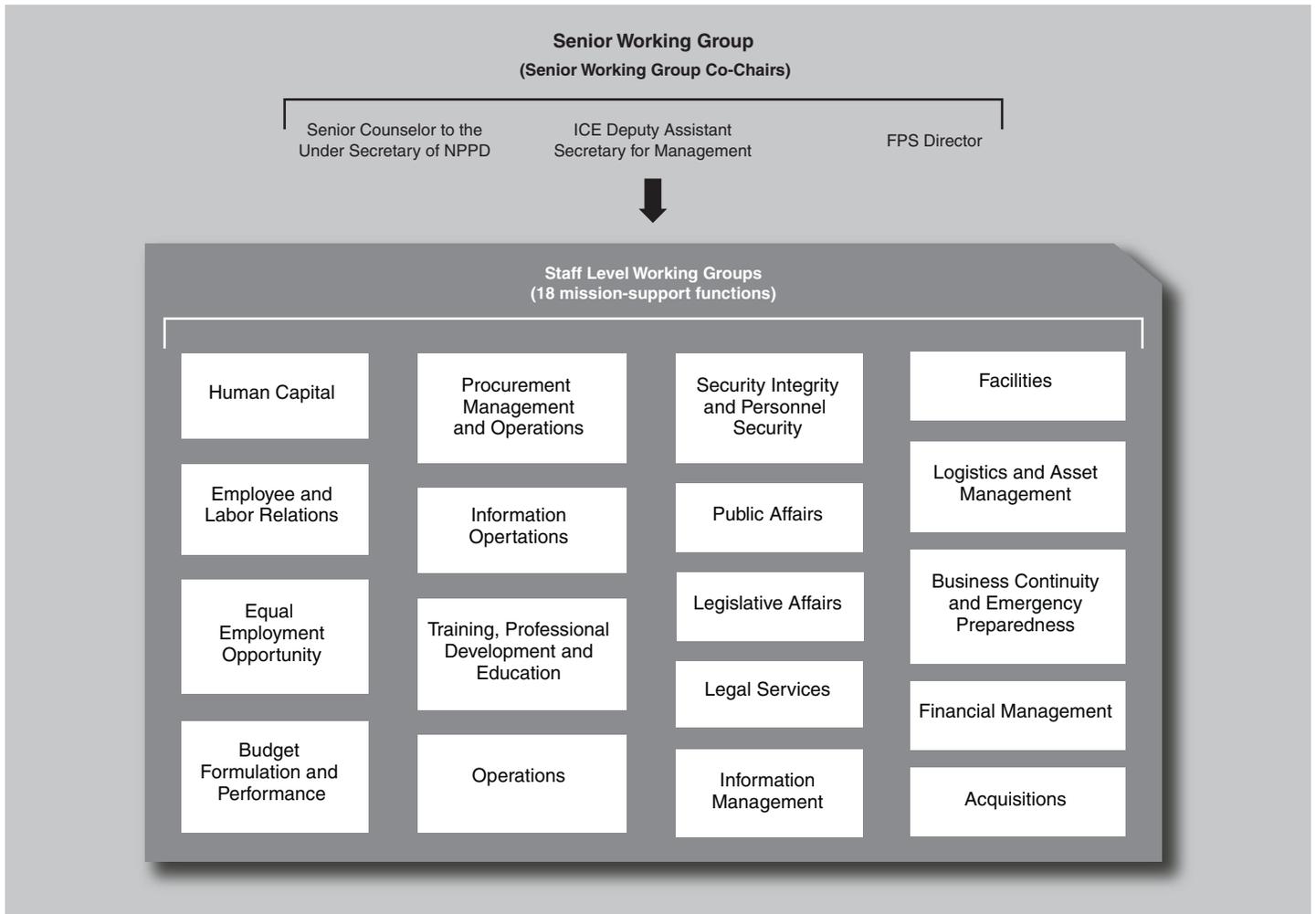
For the transition, FPS, NPPD, ICE, and DHS headquarters components formed a Senior Working Group, co-chaired by the Senior Counselor to the Under Secretary of NPPD, the ICE Deputy Assistant Secretary for Management, and the FPS Director.¹³ DHS developed a transition plan, the August 2009 FPS-NPPD Transition Plan, which describes DHS's overall transition planning process and milestones for completing the transition, among other things. The plan shifted FPS's mission and responsibility for all of its mission-support functions, with the exception of financial accounting services and firearms and tactical training, from ICE to NPPD or other DHS components. While FPS has its own law enforcement personnel to perform its mission responsibilities, it does not perform all of its mission-support functions such as payroll, travel services, and contracting. For this reason, FPS has traditionally relied on GSA and ICE to carry out these functions. For example, while under GSA, FPS's contracting functions were handled by the contracting component of GSA's Public Buildings Service, and under ICE, by its Office of Acquisition.

The transition plan noted that most transition tasks would be completed by October 2010. In addition, the transition plan noted staff-level working groups were formed that consisted of subject matter experts from each of the agencies, FPS, NPPD, and ICE, to plan in detail the transfer of FPS's mission and each mission-support function. The working groups were tasked with planning, tracking issues related to the FPS transition, and reporting progress on the transition. Initially, 16 working groups were formed to carry out the transition in 18 mission-support functions, as reflected in figure 2.¹⁴

¹³The DHS headquarters organization includes Departmental Management and Operations, which provides leadership, direction and management to DHS and is comprised of separate appropriations including: the Office of the Secretary and Executive Management (OSEM); the Under Secretary for Management (USM); the Office of the Chief Financial Officer (OCFO); and the Office of Chief Information Officer (OCIO) and DHS Headquarters (HQ) Consolidation.

¹⁴The August 2009 FPS-NPPD Transition Plan initially identified 17 mission support functional areas. However, in the July 15, 2010 Transition Update, acquisitions was separated from the procurement management and operations mission support functional area and became the 18th mission support function.

Figure 2: FPS Transition Implementation Team Organization



Source: GAO analysis of NPPD data.

According to the transition plan, until the transition is complete, ICE is to continue to provide necessary management and operational services through continued agreements in support of FPS or until individual MOAs, MOUs, or SLAs are concluded with NPPD and other DHS headquarters components. For example, for fiscal year 2010, FPS and NPPD signed 12 SLAs with ICE, covering services such as training and development, security management, and IT services, 1 MOA for legal services, and 1 MOU for financial services. These agreements were meant to ensure that

there were no lapses in services while mission-support functions were being transferred to either NPPD or DHS headquarters components.

DHS Transferred FPS's Mission and Most Support Functions to NPPD, but Could Benefit from a Revised Schedule and Cost Estimate for Transferring IT Services

FPS's Facility Protection Mission Has Transferred to NPPD without Disruption

In October 2009, FPS's facility protection mission transferred and its reporting channels were shifted from ICE to NPPD. The Under Secretary of NPPD—through delegation from the Secretary of Homeland Security—assumed operational control of FPS and its mission from ICE with the enactment of the fiscal year 2010 DHS appropriations act.¹⁵ Similarly, the Under Secretary delegated the authority and responsibility to the Director of FPS to continue FPS's physical security and law enforcement services mission,¹⁶ consistent with the law enforcement authority for the protection of federal property.¹⁷ Upon its transition to NPPD, FPS became a

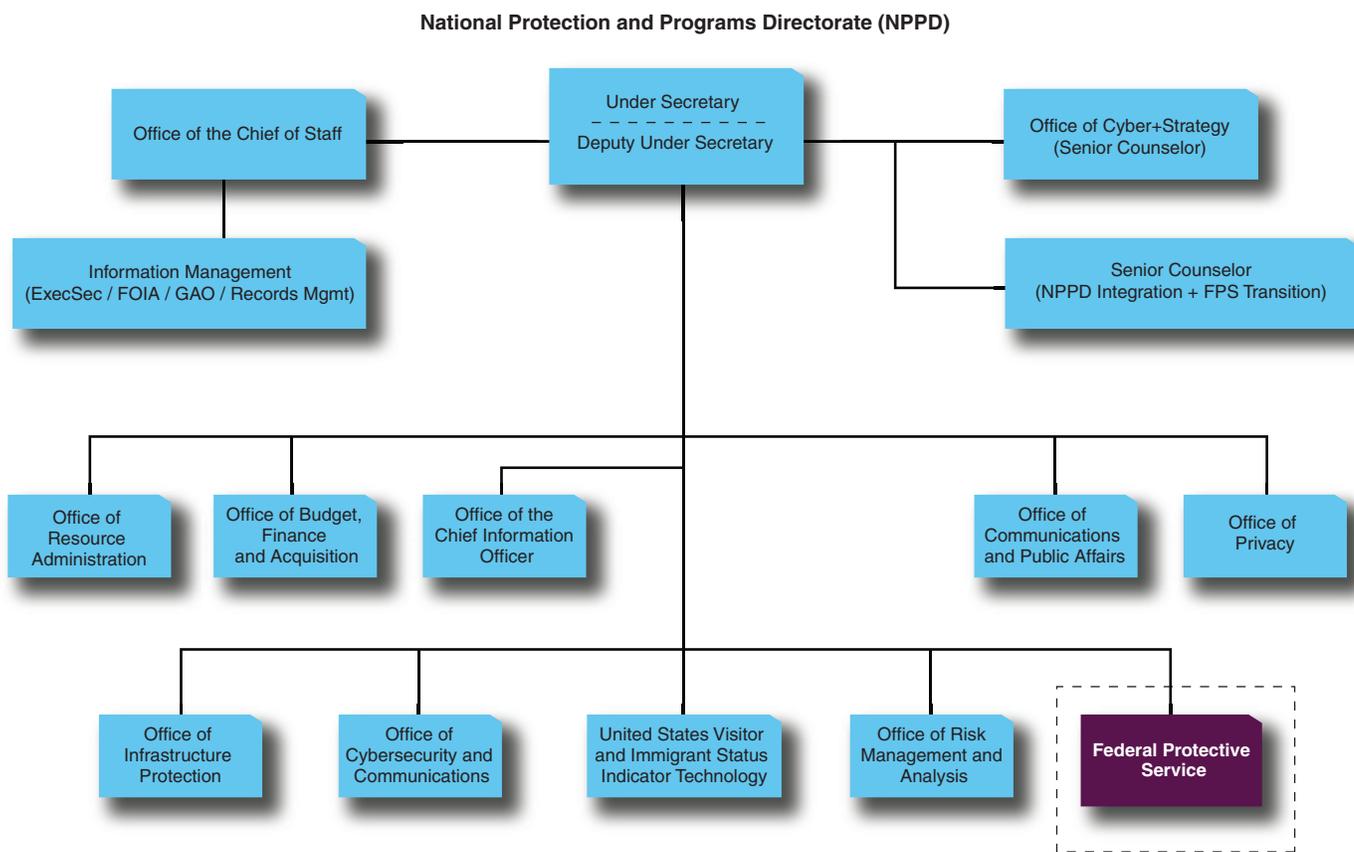
¹⁵Department of Homeland Security, Delegation Number: 17007, *Delegation for Administration of the Federal Protective Service* (Dec. 18, 2009).

¹⁶Department of Homeland Security, Delegation Number: 17001.001, *Delegation to the Director for the Federal Protective Service* (Dec. 24, 2009).

¹⁷40 U.S.C. § 1315(e).

component within the directorate.¹⁸ Figure 3 shows the location of FPS within NPPD’s organizational structure.

Figure 3: Location of FPS within NPPD’s Organizational Structure



Source: DHS.
Note: FOIA refers to the Freedom of Information Act.

According to FPS headquarters and regional officials we interviewed, the transition of FPS’s mission from ICE to NPPD occurred without degradation to the mission, and there has been minimal, if any, disruption to FPS’s field operations. Moreover, the regional officials said that the transition has not had an impact on the way FPS performs its mission on

¹⁸The other NPPD component offices include the Office of Cybersecurity, the Office of Infrastructure Protection, the Office of Risk Management and Analysis, and the Office of U.S. Visitor and Immigrant Status Indicator Technology.

a daily basis. FPS officials stated that FPS continued to lead DHS's security and law enforcement services at more than 9,000 GSA facilities nationwide, and its operational activities, such as conducting facility security assessments, conducting criminal investigations, and responding to critical incidents, continued uninterrupted during and after the transition.¹⁹

NPPD Has Experienced Delays in Assuming Some FPS Mission-Support Functions

Since taking operational control of FPS in October 2009, NPPD and other DHS components have assumed responsibility for 13 of 18 FPS mission-support functions, but the transfer of the remaining 5 mission-support functions from ICE to NPPD or other DHS components has been delayed. In August 2009, DHS reported to Congress that the transition would be completed by October 2010 and estimated it would cost \$14.6 million.²⁰ However, DHS now reports that the transfer of 4 functions will not be completed until the end of fiscal year 2011 or start of fiscal year 2012 and one of these functions will not be transferred until October 2012. For the delayed functions, ICE continues to provide mission support to FPS, and new or revised SLAs were developed to articulate the continuing time frames and services that ICE would provide to FPS. The 18 mission-support functions and their transfer status are presented in table 1.

¹⁹A building security assessment is a comprehensive risk assessment that examines credible threats to federal buildings and the vulnerabilities and consequences associated with those threats. Credible threats include things such as crime activity or potential terrorism acts.

²⁰To implement the FPS transition, DHS estimated \$14.6 million in three cost categories. These categories were (1) \$6.6 million for salaries, benefits, and expenses for additional staff DHS plans to hire as a result of FPS's transfer, (2) \$ 2.4 million for various costs associated with financial management services, and (3) \$5.6 million for IT requirements.

Table 1: Extent to Which FPS Mission-Support Functions Have Transferred to NPPD or Other DHS Components as of May 2011

FPS mission-support function	Status	Description
Operations	Completed	Information on critical incidents is passed directly to the NPPD Under Secretary, concurrent with notification to the DHS National Operations Center.
Human Capital	Completed	NPPD and FPS human capital management staffing and functions have been consolidated. NPPD human resources conducts personnel services functions in support of FPS. ^a
Employee and Labor Relations	Completed	A new Employee and Labor Relations Office was established at NPPD and a new director was hired. All FPS disciplinary, adverse, and performance-based actions have been transferred to the NPPD Employee and Labor Relations Office.
Training, Professional Development, and Education	Completed	All non-law enforcement training for FPS employees is being managed through NPPD's Office of Professional Development and Training, in coordination with FPS's regional training coordinators. NPPD also has an agreement with ICE and the Federal Law Enforcement Training Center for transfer of Academic Course Management System database records.
Budget Formulation and Performance	Completed	NPPD coordinated the FPS fiscal year 2011 budget submission and plans to coordinate all future year budget formulation and submissions.
Financial Management	Completed	ICE will provide financial management services to FPS indefinitely as there is no economical or efficient way for NPPD to replicate these services. However, NPPD has assumed financial management reporting responsibilities, internal controls, and audit response and coordination responsibilities.
Procurement Management and Operations	Completed	DHS Office of Procurement Operations has assumed contracting authority and oversight of FPS procurement activities.
Logistics and Asset Management	Completed	NPPD has migrated and currently manages the NPPD motor fleet within FPS management operations, and FPS asset management and logistics have fully transferred from ICE to NPPD.
Acquisitions	Completed	All acquisition support services have been transferred to DHS Office of Procurement Operations. NPPD also assumed component acquisition executive oversight of FPS investment programs.
Legislative Affairs	Completed	FPS legislative affairs are coordinated through the NPPD Legislative Affairs Director and DHS Office of Legislative Affairs.
Public Affairs	Completed	The DHS Office of Public Affairs has detailed a senior public affairs staffer to FPS to manage and facilitate public affairs activities.
Information Management	Completed	FPS executive correspondence and reports have been integrated with the NPPD Office of the Executive Secretariat. Management of the FPS Freedom of Information Act (FOIA) caseload transferred to NPPD's FOIA Office. Additionally, coordination of GAO and DHS Office of the Inspector General audit work transferred to NPPD's Audit Liaison Office.
Legal Services	Completed	DHS officials indicated that the DHS Office of the General Counsel (OGC) has completed the transition of legal services from ICE Office of the Principal Legal Advisor (OPLA) to OGC in early fiscal year 2011. OGC currently has nine attorneys dedicated to providing legal services to FPS and anticipates having the remaining two attorneys in place by the end of fiscal year 2011. According to DHS officials, for continuity purposes, OPLA continues to manage legal actions that were ongoing at the time of transition, primarily in the areas of employment and tort litigation.

FPS mission-support function	Status	Description
Information Operations (IT services)	Not completed	Although FPS's Communication Security (COMSEC) function has transferred to NPPD COMSEC networks and related oversight of tactical communications systems has transferred to NPPD Office of the Chief Information Officer, DHS headquarters and NPPD are in the process of establishing the IT infrastructure and field support necessary to support FPS's geographically dispersed IT business needs and requirements. In the meantime, the ICE Office of Chief Information Officer continues to provide IT services such as engineering and operations. DHS and NPPD plan to complete the transfer of IT services by October 2012.
Business Continuity and Emergency Preparedness	Not completed	FPS is fully integrated with NPPD with respect to Business Continuity and Emergency Preparedness planning and operations; however, FPS plans to continue to use an ICE Continuity of Operations Emergency Relocation Site until NPPD completes the building of another relocation site. NPPD officials stated this would be complete by October 2011.
Security Integrity and Personnel Security	Not completed	New DHS-level badges and credential cards for law enforcement personnel were issued to the FPS workforce early in the transition process. According to an NPPD official, a personnel security function has not yet been built-out at the NPPD level due to delegation of authorities issues, overarching resource requirements, and the detailed coordination required as NPPD evolves into a more operationally focused organization. NPPD is in the process of establishing an Office of Compliance and Security, which NPPD officials hope to complete by October 2011; however, until the programs within the office are established, the ICE Office of Professional Responsibility, Personnel Security Unit continues to provide personnel security services to FPS.
Facilities	Not completed	FPS continues to rely on the ICE Office of Asset Management for facilities management services such as planning, design, and construction activities. According to DHS officials, NPPD has hired three of the five positions that were created to support FPS facilities management. The existing personnel are working with ICE to transfer projects and expect that all projects will transfer by the end of fiscal year 2011.
Equal Employment Opportunity (EEO)	Not completed	The ICE Office of Equal Employment Opportunity (EEO) continues to perform all the FPS EEO program responsibilities to include counseling and advisory services, processing complaints, alternative dispute resolution, and compliance oversight for settlement actions. According to DHS officials, ICE will continue to provide EEO services through September 2011.

Source: GAO analysis of NPPD transition information.

Note: For the purposes of this report, the transfer of a mission-support function is complete when SLAs or MOUs among FPS, NPPD, and ICE have expired and services have been transferred to NPPD or other DHS components.

^aFPS receives medical and lab services such as medical, psychological, and fitness exams, and pre-employment drug screening through a third party vendor.

According to DHS officials responsible for executing the FPS transition, the transfer of the 5 mission-support functions will take longer than originally reported to Congress due to a number of factors, including unanticipated costs associated with building the infrastructure within NPPD and other DHS components to support areas such as IT services. As reflected in table 2, the delays in the transition schedule for the delayed mission-support functions range from almost 1 to 2 years. DHS

officials explained that the transfer of four mission-support functions—business continuity and emergency preparedness, personnel security, facilities, and Equal Employment Opportunity (EEO)—are on track to transfer by the end of fiscal year 2011 or start of fiscal year 2012. Specifically, DHS officials explained the following

- All activities for the transfer of business continuity and emergency preparedness have been completed but are waiting on NPPD to complete the building of a continuity of operations site, which according to NPPD officials, will be complete by October 2011.
- NPPD has moved a Senior Executive Service (SES)-level director into position, and is in the process of establishing an Office of Compliance and Security, which will provide compliance investigations, program review, personnel security, interior physical security, information security, and special security program services throughout NPPD. According to the Acting Director of the Office of Compliance and Security, the goal is to establish this office by October 2011.
- NPPD has hired three of the five positions that were created to support FPS facilities management. These personnel, according to the officials, are working with ICE to transfer projects and all of them are expected to transfer by the end of fiscal year 2011.
- The only activity required for the transfer of EEO services is to hire staff needed to support FPS within NPPD, which should be completed by the end of fiscal year 2011.

Table 2: FPS Mission-Support Functions That Have Experienced Delays as of May 2011

Mission support services	Initial estimated transition date as reported in the August 2009 transition plan	Estimated transition date as of May 2011	Delay in months
IT Services	October 2010	October 2012	24
Business Continuity and Emergency Preparedness	November 2009	October 2011	23
Personnel Security	January 2010	October 2011	21
Facilities	April 2010	September 2011	17
Equal Employment Opportunity	October 2010	September 2011	11

Source: GAO analysis of NPPD transition documents.

FPS's Transition Schedule for the Transfer of the IT Services Function Could Be Enhanced

While DHS has successfully transferred FPS's mission and the majority of its mission-support functions, deficiencies in the transition schedule for the transfer of IT services could limit DHS's ability to ensure the timely transition of this important function. DHS's transition plan called for working groups to develop comprehensive project management plans (i.e., detailed schedules) with detailed tasks and end dates for the individual mission-support functions to ensure critical path activities were identified, managed, and resourced. DHS did not develop these schedules for all the mission-support functions since, according to DHS officials, in some cases the transfer of a function was relatively easy and did not need a schedule, such as public affairs and legislative affairs. However, the transfer of FPS's nationwide IT infrastructure and field support is more complex. Because of the complexity of transferring IT services, DHS developed a detailed schedule to manage the transfer of IT services, as called for in the transition plan.

As we have previously reported, the success of fielding any program depends in part on having a reliable schedule that defines, among other things, when work activities will occur, how long they will take, and how they are related to one another.²¹ As such, the schedule not only provides a road map for systematic execution of a program, but also provides a means by which to gauge progress, identify and address potential problems, and promote accountability. Among other things, best practices and related federal guidance cited in our cost estimation guide call for a program schedule to be program-wide in scope, meaning that it should include the integrated breakdown of the work to be performed, and expressly identify and define relationships and dependencies among work elements and the constraints affecting the start and completion of work elements. Table 3 presents a summary of best practices we have identified for applying a schedule as part of program management.

²¹See, for example, GAO, *Nuclear Waste: Actions Needed to Address Persistent Concerns with Efforts to Close Underground Radioactive Waste Tanks at DOE's Savannah River Site*, [GAO-10-816](#) (Washington, D.C.: Sept. 14, 2010); *Transportation Worker Identification Credential: Progress Made in Enrolling Workers and Activating Credentials but Evaluation Plan Needed to Help Inform the Implementation of Card Readers*, [GAO-10-43](#) (Washington, D.C.: Nov. 18, 2009); and *Nuclear Weapons: National Nuclear Security Administration Needs to Better Manage Risk Associated with Modernization of Its Kansas City Plant*, [GAO-10-115](#) (Washington, D.C.: Oct. 23, 2009).

Table 3: Description of GAO Scheduling Best Practices

Scheduling best practice	Explanation
Capturing all activities	The schedule should reflect all activities (steps, events, outcomes, etc.) as defined in the program’s work breakdown structure to include activities to be performed by both the government and its contractors.
Sequencing all activities	The schedule should sequence activities in the order that they are to be implemented. In particular, activities that must finish prior to the start of other activities (i.e., predecessor activities), as well as activities that cannot begin until other activities are completed (i.e., successor activities) should be identified.
Assigning resources to all activities	The schedule should reflect who will do the work activities, whether all required resources will be available when they are needed, and whether any funding or time constraints exist.
Establishing the duration of all activities	The schedule should reflect the duration of each activity. These durations should be as short as possible and have specific start and end dates.
Integrating schedule activities horizontally and vertically	The schedule should be horizontally integrated, meaning that it should link the products and outcomes associated with sequenced activities. The schedule should also be vertically integrated, meaning that traceability exists among varying levels of activities and supporting tasks and subtasks.
Establishing the critical path for all activities	The critical path represents the chain of dependent activities with the longest total duration in the schedule.
Identifying float between activities	The schedule should identify a reasonable amount of float—the time that a predecessor activity can slip before the delay affects successor activities—so that schedule flexibility can be determined. As a general rule, activities along the critical path typically have the least amount of float.
Conducting a schedule risk analysis	A schedule risk analysis is used to predict the level of confidence in the schedule, determine the amount of time contingency needed, and identify high-priority schedule risks.
Updating the schedule using logic and durations to determine the dates for all key activities	The schedule should use logic and durations in order to reflect realistic start and completion dates, be continually monitored to determine differences between forecasted completion dates and planned dates, and avoid logic overrides and artificial constraint dates.

Source: GAO, *GAO Cost Estimating and Assessment Guide: Best Practices for Developing and Managing Capital Program Costs*, GAO-09-3SP (Washington, D.C.: March 2009).

Our analysis of the IT schedule found that it did not reflect our best practices for scheduling, as seen in table 4.

Table 4: DHS’s Incorporation of Best Practices into the FPS IT Transition Schedule

Schedule best practice	Extent best practice met	Assessment
Capturing all activities	Partially met	Twenty-two percent of all activities in the schedule were missing resource assignments, therefore it was unclear from the schedule if all activities were included and who should perform the work. Further, the schedule does not reflect a valid work breakdown structure, which is a valuable communication tool because it provides a clear picture of how the work will be done, and is therefore an essential element in identifying activities in a schedule.
Sequencing all activities	Not met	Almost all (99 percent) of the activities identified in the schedule were not sequenced; that is, activities that needed to finish prior to the start of other activities (i.e., predecessor activities), and activities that could not begin until other activities were completed (i.e., successor activities), were not identified. In addition, the activities were not logically sequenced—that is, logically linked in the order in which they are to be carried out. Sequencing all activities in a schedule helps ensure that interdependencies among such activities can be established in such a way that when changes occur, the interdependencies among the activities can be used as a basis for guiding the work. Without such interdependencies, the credibility of the calculated dates in the schedule is questionable.
Assigning resources to all activities	Minimally met	The schedule did not fully identify the resources needed to do the work or their availability. In regard to labor resources, the schedule identifies 31 resources (i.e., individuals and agencies) needed to do the work. Of the 31 resources, 19 are over allocated. Over allocation means that more people are needed to do the work than assigned to activities, which means that the work will not be done in the time allocated and the schedule will most likely slip. In regard to material resources, the schedule did not identify material or equipment costs needed to do the work.
Establishing the duration of all activities	Partially met	The schedule included duration figures (i.e., information on how long each activity is expected to take to execute); however, 46 percent of the activities identified in the schedule are 1-day tasks. According to scheduling best practices, if there are a large number of 1-day duration activities, planners should recognize that these tasks typically take longer than 1 day to complete as people rarely complete 8 hours of work in a typical work day. In addition, the schedule identified 19 activities with durations ranging from 66 to 242 days. Best practices in scheduling note that, in general, estimated activity durations should be less than 2 working months or approximately 44 working days because activities that are too long in duration make it difficult for management to gauge progress. Activities identified in the schedule were based on a standard 40 hour work week that does not account for holidays. This assumes resources for conducting IT transition activities are available to work every day of the year. Since FPS is a federal agency, the schedule should reflect a calendar that accounts for federal holidays.
Integrating schedule activities horizontally and vertically	Minimally met	The schedule was generally vertically integrated, meaning that some dates for starting and completing activities were aligned with the dates for supporting tasks and subtasks. However, the schedule is not horizontally integrated because it does not reflect links to other sequenced activities. Therefore, any activity whose duration is extended beyond the planned duration will simply extend indefinitely with no effect on other sequenced activities or the project end date.

Schedule best practice	Extent best practice met	Assessment
Establishing the critical path for all activities	Not met	The schedule did not sequence all activities; therefore, it is not possible to calculate a valid critical path. Without a valid critical path, management cannot determine the effects of what any activity slipping will have on the project finish date.
Identifying reasonable float between activities	Not met	The amount of float, which is an indicator of the amount of flexibility in the schedule, cannot be determined because 99 percent of activities did not identify predecessor or successor activities.
Conducting a schedule risk analysis	Not met	We found no evidence that DHS officials performed a schedule risk analysis. Because a schedule risk analysis was not conducted, DHS cannot determine: the likelihood of the project completion date, how much schedule risk contingency is needed to provide an acceptable level of certainty by a specific date, which risks are most likely to delay the project, how much contingency reserve each of these risks require, and which paths are most likely to delay the project.
Updating the schedule using logic and durations to determine dates	Minimally met	According to the schedule, 6 milestones and 10 detail activities are marked as 100% complete. However, while the program began in June 2010, only 4 percent of the activities scheduled to occur in 2010 have been completed. This means that 96 percent of all detail activities in 2010 are either still in-progress or have yet to start. In addition, the schedule has no status date, which represents the status of the completed work as of the current day and denotes completed versus remaining effort. Because no effort has been made within the schedule to status actual progress, it is impossible to tell what activities have been completed, what activities are in progress, what activities are late, and what activities are planned to start on time.

Source: GAO analysis of FPS IT transition schedule.

Note: Not met—DHS provided no evidence that satisfies any of the criterion; Minimally met—DHS provided evidence that satisfies a small portion of the criterion; Partially met—DHS provided evidence that satisfies about half of the criterion; Substantially met—DHS provided evidence that satisfies a large portion of the criterion; and Met—DHS provided complete evidence that satisfies the entire criterion.

We shared the results of our analysis with responsible DHS IT transition officials, who stated that they have taken note of the deficiencies and are taking steps to improve the schedule using the scheduling practices. According to these officials, they plan to work closely with staff in another NPPD component agency with the expertise necessary to improve the IT transition schedule. Nevertheless, if the schedule does not fully and accurately reflect the project, it will not serve as an appropriate basis for analysis and may result in unreliable completion dates, time extension requests, and delays. With regard to the transfer of the IT services function, it would be difficult for DHS to accurately predict the completion date for the IT transition without a more reliable schedule. Moreover, completing projects within projected time frames helps ensure agencies do not incur additional costs, which is especially important in a fiscally constrained environment. Ultimately, incorporating scheduling best

practices into the IT transition schedule could help DHS better manage the completion of the transition and help provide reasonable assurance that the transfer is complete within its projected timeframe.

Incorporating Cost Estimating Best Practices in the IT Transition Cost Estimate Could Enhance the Reliability of, and Better Inform, Decisions about the Cost to Complete the Transition

According to best practices for cost estimates, in addition to a reliable schedule, a reliable cost estimate is critical to the success of any program.²² A reliable cost estimate provides the basis for informed investment decision making, realistic budget formulation and program resourcing, meaningful progress measurement, proactive course correction when warranted, and accountability for results. Such an estimate is important for any agency, but especially an agency like FPS that is solely fee funded²³ and has faced projected shortfalls in fee collections to cover operational costs.²⁴

Federal financial accounting standards state that reliable information on the costs of federal programs and activities is crucial for effective management of government operations and recommend that full costs of programs or activities be reported so that decision makers have information necessary to make informed decisions on resources for programs, activities, and outputs, and to help ensure that they get expected and efficient results.²⁵ Drawing from federal cost-estimating organizations and industry, our cost estimation best practices list four characteristics of a high-quality and reliable cost estimate that

²²[GAO-09-3SP](#).

²³FPS is a reimbursable organization and is fully funded by collecting security fees from tenant agencies. To fund its operations, FPS charges each tenant agency a basic security fee per square foot of space occupied in a GSA facility. In 2010, the basic security fee was 66 cents per square foot and covered services such as patrolling, monitoring of building perimeter alarms, and dispatching of law enforcement response through its control centers. FPS also collects an administrative fee it charges tenant agencies for building specific security services such as access control to facilities' entrances and exits; employee and visitor checks; and the purchase, installation, and maintenance of security equipment. In addition to these security fees, FPS provides agencies with additional services upon request, which are funded through reimbursable Security Work Authorizations, for which FPS charges an administrative fee.

²⁴See for example, GAO, *Homeland Security: The Federal Protective Service Faces Several Challenges That Hamper Its Ability to Protect Federal Facilities*, [GAO-08-683](#) (Washington, D.C.: June 11, 2008).

²⁵Statement of Federal Financial Accounting Standards No. 4, *Managerial Cost Accounting Concepts and Standards for the Federal Government*, establishes standards for managerial cost accounting information at federal agencies.

management can use for making informed decisions—comprehensive, well-documented, accurate, and credible.²⁶ In July 2008, the DHS Under Secretary for Management signed a memorandum stating DHS will standardize its cost-estimating process by using the best practices we identified.

To implement the FPS transition, DHS, in 2009, estimated it would cost \$14.6 million to complete the transition of FPS from ICE to NPPD. DHS's estimate provided for costs into three categories—personnel, financial management, and IT services. In 2011, the department revised the estimate for each of the three categories, which totaled \$18.5 million. At the time of our review, FPS had spent about \$1.9 million of its operating revenue for transition-related expenses. Table 5 reflects estimated and actual costs for personnel, financial management services, and IT services associated with the FPS transition.

Table 5: Original and Revised FPS Transition Cost Estimates and Actual Costs Incurred

Dollars in millions			
Cost categories	Original estimate in August 2009	Revised estimate as of May 2011	Amount spent at the time of our review
Personnel	\$6.6	\$10.1	\$0.6 ^a
Financial management services	\$2.4	\$2.2	\$1.3 ^b
IT services	\$5.6	\$6.2	\$0.0 ^c
Total	\$14.6	\$18.5	\$1.9

Source: GAO analysis of DHS data.

^aFPS paid \$630,000 to fund salaries and benefits for 25 new personnel hired to provide services previously provided by ICE.

^bFPS expects to incur \$950,000 more in additional financial management services costs for fiscal year 2010. According to DHS officials, the transfer of FPS prompted ICE to assign financial management services costs to FPS in a manner consistent with other external customers. As a result, FPS's financial management services costs increased by \$2.2 million between fiscal years 2009 and 2010. According to DHS officials, a bill for the remaining balance will be submitted to FPS when NPPD signs a modified MOU, which was under review as of May 2011.

^cAccording to DHS officials, FPS has not yet incurred costs for the IT transition.

DHS has successfully transferred the majority of mission-support functions, which includes oversight of financial management services,

²⁶GAO-09-3SP.

and, according to DHS officials, is on track to hire most of the remaining new personnel by the beginning of fiscal year 2012 to provide services previously provided by ICE. However, DHS has not yet transferred IT services and does not expect to complete the transfer until October 2012. Having a reliable and valid cost estimate is important for enabling managers to make informed decisions and facilitate tracking progress against estimates to effectively manage the transfer of IT services. While DHS committed to using GAO's best practices in preparing cost estimates in July 2008, our analysis of the cost estimate for the transfer of IT services found that it only partially met one of the four characteristics of a reliable cost estimate and minimally met the other three, as table 6 illustrates.

Table 6: DHS's Incorporation of Best Practices into the FPS IT Transition Cost Estimate

Best practice	Explanation	Extent best practice met	Assessment
Comprehensive	The cost estimate should include all costs. It should also provide an appropriate level of detail to ensure that cost elements are neither omitted nor double-counted and include documentation of all cost-influencing ground rules and assumptions.	Partially met	DHS estimated aggregate costs of \$6.2 million for hardware, labor, and travel for the IT services transfer—\$3.4 million for hardware and \$2.8 million for labor and travel costs. However, the estimate does not detail costs for the scope of activities identified in the IT transition schedule. For example, the estimate does not detail possible costs for a pilot project at one representative FPS office and 26 other sample sites. In its report to the Office of Management and Budget (OMB) in January 2011, DHS noted that FPS has nearly 160 locations ranging from small remote sites to large mega-centers, each with different IT configurations and needs potentially requiring different solutions and that a pilot project was needed to test whether initial technical solutions to these challenges will actually work. DHS further noted that one of the significant items was the transition of on-site technical support from ICE to a DHS Field Support contract; however, the estimate did not detail costs for the transition. Including such level of detail helps to ensure that no cost elements are omitted or double counted.

Best practice	Explanation	Extent best practice met	Assessment
Well documented	The cost estimates should capture in writing such things as source data used and their significance, the calculations performed and their results, and the rationale for choosing a particular estimating method. Moreover, this information should be captured in such a way that the data used to derive the estimate can be traced back to, and verified against, their sources. The final cost estimate should be reviewed and accepted by management.	Minimally met	<p>The cost estimate is not supported by detailed documentation that describes how it was derived and how the expected funding will be spent in order to achieve the IT transfer. DHS did not</p> <ul style="list-style-type: none"> • document the formulas it used to calculate costs for the IT transition or prepare a summary explaining the sources and methods used to create the estimate • clearly outline the cost estimate results, including information about cost drivers and high-risk areas, or • include in the estimate the underlying data on which the estimate was based, which can cause an estimate's credibility to suffer because the rational supporting the specific costs is not clear. <p>As a result, documentation was insufficient to allow us to corroborate the estimate. Providing such detail serves as an audit trail for clear tracking of cost estimates over time. Without a well-documented cost estimate, DHS will have difficulty presenting a convincing argument of the estimate's validity, and answering decision makers' and oversight groups' questions.</p>
Accurate	The cost estimate results should be unbiased, and not overly conservative or optimistic and based on an assessment of most likely costs. Further, the estimate should be regularly updated to reflect significant changes in the program so that it always reflects current status. Moreover, variances between planned and actual costs should be documented, explained, and reviewed.	Minimally met	<p>An uncertainty analysis was not performed on the revised estimate; therefore, we cannot assess whether the cost estimate is unbiased, overly conservative, or optimistic based on an assessment of most likely costs. In addition, while the IT transition cost estimate has been revised from \$5.6 million to \$6.2 million, the cost estimate is not regularly updated according to program officials.</p> <p>Moreover, the revised estimate did not provide a track back to the original estimate of \$5.6 million and did not discuss any reasons for why there was a variance. Although we found no mistakes in the costs that were presented, the estimate was prepared at such a high level that we were unable to confirm that the calculations were accurate.</p>

Best practice	Explanation	Extent best practice met	Assessment
Credible	The cost estimate should discuss any limitations in the analysis performed due to uncertainty surrounding data or assumptions. Further, the estimate's derivation should provide for varying any major assumptions and recalculating outcomes based on sensitivity analyses, and their associated risks/uncertainty should be disclosed.	Minimally met	<p>In December 2010, OMB expressed concerns to DHS about the practicality of the FPS IT transition plan, including whether DHS's IT system (DHS ONENet) was capable of supporting FPS operations across the country. OMB also expressed concern to DHS about the dramatic increase for IT services associated with the transition.</p> <p>In its January 2011 response to OMB, DHS indicated that in order to reduce risk, a pilot project would be performed at one of FPS's representative offices. The results of the pilot may not provide enough information for estimating risks related to the IT transition at the remaining offices that range from small remote sites to large mega-centers and have different configuration requirements. However, DHS did not conduct a risk and sensitivity analysis to examine the effects of changing assumptions and ground rules on the cost and schedule of the transition.</p> <p>The IT transfer requires technical decisions on changes in physical hardware and software, and system configurations in the routers and switches, along with decisions on any needs for new data circuits and routings. As DHS noted in its response to OMB, these decisions are numerous in the presence of FPS offices across the continent and are not currently matched by NPPD service locations.</p> <p>To be considered credible, cost estimates should discuss limitations in the analysis performed due to risk, uncertainty, or biases surrounding the data or assumptions.</p>

Source: GAO analysis of FPS IT transition cost data.

Note: Not met—DHS provided no evidence that satisfies any of the criterion; Minimally met—DHS provided evidence that satisfies a small portion of the criterion; Partially met—DHS provided evidence that satisfies about half of the criterion; Substantially met—DHS provided evidence that satisfies a large portion of the criterion; and Met—DHS provided complete evidence that satisfies the entire criterion.

DHS officials stated that there are no plans to revise the IT transition estimate. According to DHS officials, rather than revising the estimate, the department plans to report actual costs once the transition is complete. However, incorporating cost estimating best practices into the IT transition cost estimate could provide an improved basis for remaining IT transition investment decisions and could facilitate tracking of actual costs against estimates, both of which are fundamental to effectively managing the transfer of IT services.

Transition May Provide Opportunity to Address Previously Identified FPS Challenges, but It Is Too Early to Tell Its Impact

Since 2007, we have reported that FPS faces significant challenges with protecting federal facilities, and in response, FPS has started to take steps to address some of them. For example, our July 2009 and April 2010 reports on FPS's contract guard program identified a number of challenges that the agency faces in managing its contract guard program, including ensuring that the 15,000 guards that are responsible for helping to protect federal facilities have the required training and certification to be deployed at a federal facility.²⁷ In response to our July 2009 report, FPS took a number of immediate actions with respect to contract guard management, including increasing the number of guard inspections it conducts at federal facilities in some metropolitan areas and revising its guard training. Further, in our April 2010 report, we recommended, among other things, that the Secretary of Homeland Security direct the Under Secretary of NPPD and the Director of FPS to develop a mechanism to routinely monitor guards at federal facilities outside metropolitan areas and provide building-specific and scenario-based training and guidance to its contract guards. As of August 2010, FPS was in the process of implementing this recommendation.

Additionally, in July 2009 we reported that FPS did not have a strategic human capital plan to guide its current and future workforce planning efforts.²⁸ Among other things, we recommended that FPS develop and implement a long-term strategic human capital plan that will enable the agency to recruit, develop, and retain a qualified workforce. DHS concurred with our recommendation and is taking action to address it. In June 2008, we reported on FPS's funding challenges, and the adverse implications its actions taken to address them had on its staff, such as low morale among staff, increased attrition, and the loss of institutional knowledge.²⁹ We recommended that FPS evaluate whether its use of a fee-based system or alternative funding mechanism was the most appropriate manner to fund the agency. FPS concurred with our recommendation; however, as of May 2011, FPS had not begun such an analysis. Finally, in our 2009 High-Risk Series, and again in 2011, we

²⁷GAO-10-341 and GAO, *Homeland Security: Preliminary Results Show Federal Protective Service's Ability to Protect Federal Facilities Is Hampered By Weaknesses in Its Contract Security Guard Program*, GAO-09-859T (Washington, D.C.: July 8, 2009).

²⁸GAO, *Homeland Security: Federal Protective Service Should Improve Human Capital Planning and Better Communicate with Tenants*, GAO-09-749 (Washington, D.C.: July 30, 2009).

²⁹GAO-08-683.

designated federal real property as a high-risk area, in part, because FPS has made limited progress and continues to face challenges in securing real property.³⁰

If successfully managed, the transfer of FPS to NPPD could provide DHS the opportunity to better advance progress towards addressing FPS's challenges. The Under Secretary of NPPD and the former FPS Director, in written statements for the November 2009 congressional hearing on the FPS transfer, noted that the transition to NPPD would better leverage and align infrastructure protection resources and competencies to maximize their value. Further, the transition plan noted that the transfer would improve the mission effectiveness of both FPS and NPPD. According to NPPD officials, the agency has undertaken actions that serve as a foundation for integrating FPS into NPPD.

First, NPPD officials explained that efforts undertaken by the senior working group and the staff working groups have served to move the transition forward, and integrate the FPS organization into the larger NPPD structure. These officials explained that FPS has been established as a component within NPPD, thereby aligning FPS's infrastructure protection mission within NPPD's critical infrastructure protection mission. As noted in the transition plan, NPPD chairs the operations of the Interagency Security Committee, a group that includes the physical security leads for all major federal agencies and whose key responsibility is the establishment of governmentwide security policies for federal facilities. As further noted in the transition plan, these missions are complementary and mutually supportive, and the alignment resulting from the transfer improves and advances the mission effectiveness of both FPS and NPPD.

Second, NPPD officials stated that FPS has begun to develop a new strategic plan to align FPS's activities and resources to support NPPD mission-related outcomes. Our work has shown that in successful organizations, strategic planning is used to determine and reach agreement on the fundamental results the organization seeks to achieve, the goals and measures it will set to assess programs, and the resources and strategies needed to achieve its goals. Third, NPPD officials noted that NPPD has monthly meetings with FPS to review open GAO

³⁰GAO, *High-Risk Series: An Update*, [GAO-11-278](#) (Washington, D.C.: February 2011); and *High-Risk Series: An Update*, [GAO-09-271](#) (Washington, D.C.: January 2009).

recommendations and is assisting FPS in closing out these recommendations. For example, in consultation with NPPD, FPS is developing a human capital strategic plan. A human capital strategic plan, flowing out of a new strategic plan, could help facilitate efforts to address previously identified challenges. Further, as we have previously reported, strategic human capital planning that is integrated with broader organizational strategic planning is critical to ensuring agencies have the talent they need for future challenges.³¹

Finally, according to the Senior Counselor to the Under Secretary of NPPD, NPPD has established a Field Force Integration Working Group among a set of five other integration working groups to pursue integration activities across the new and larger NPPD, and across DHS as a whole. In addition, the Senior Counselor noted that the purpose of the group is to examine capabilities and resources from across the NPPD components to gain efficiencies and economies of scale in support of all NPPD field operations. The official further noted that the FPS's workforce and regional structure is by far the largest and most established of the NPPD components. FPS's field structure and capabilities will be used as comparative models and resources as NPPD works toward continued integration of its operating entities. While these are encouraging steps, it is too early to tell if these planned actions will help address the challenges we have previously identified.

Conclusions

With its critical role in protecting federal facilities against the threat of terrorism and other criminal activity, it is important that FPS's transfer to NPPD and its related integration are successful. DHS has implemented a number of scheduling and cost estimating best practices in the FPS transition and has successfully transferred 13 of the 18 mission support functions. Nevertheless, DHS could better manage the transfer of the IT services mission-support function, and help inform DHS, NPPD, FPS, and congressional investment decision making. Establishing a reliable schedule and incorporating cost estimation best practices in the estimate for the transfer of IT services could help provide DHS enhanced assurance that this delayed function will be transferred in accordance with its projected time frames.

³¹GAO, *Interagency Collaboration: Key Issues for Congressional Oversight of National Security Strategies, Organizations, Workforce, and Information Sharing*, [GAO-09-904SP](#) (Washington, D.C.: Sept. 25, 2009).

Recommendations for Executive Action

To help ensure that DHS and Congress have reliable, accurate information on the timeframes and costs of transferring FPS from ICE to NPPD, we recommend that the Secretary of Homeland Security direct the Under Secretary for NPPD, in consultation with the Director of FPS and the Director of ICE, to

- improve the schedule for transferring IT services, in accordance with the transition plan, and to reflect scheduling best practices, and
- update the IT transition cost estimate, in accordance with cost-estimating best practices.

Agency Comments

We received written comments on a draft of this report from DHS. DHS concurred with our recommendations and stated that it is currently taking actions to implement them. With respect to improving the schedule for transferring IT services, DHS indicated that NPPD held working sessions with subject matter experts from DHS, ICE, and FPS Chief Information Officer (CIO) teams to capture all transition activities in greater detail and identify areas for implementation of best practices into schedule updates. DHS also noted that NPPD consulted with NPPD/United States Visitor and Immigrant Status Indicator Technology (US-VISIT) and adopted recommendations for schedule improvements, leveraging US-VISIT's lessons learned toward better alignment with GAO best practices, acquisition of scheduling expertise, and acquisition of specific software tools, among other things. Regarding updating the IT transition cost estimate, DHS noted that NPPD is researching and resolving cost-estimating deficiencies identified in the GAO report in collaboration with the DHS CIO. The department also noted that NPPD plans to identify an alternative network design solution that may reduce transition cost, and will refine the cost estimate after discussing network design discussions with subject matter experts and incorporating cost-estimating best practices. Written comments from DHS are reprinted in appendix II.

As agreed with your office, unless you publicly announce the contents of the report, we plan no further distribution for 30 days from the report date. At that time, we will send copies of this report to the Secretary of Homeland Security, the Under Secretary of the National Protection and Programs Directorate, the Director of the Federal Protective Service, the Director of the Immigration and Customs Enforcement, and appropriate congressional committees. In addition, this report will be available at no charge on the GAO web site at <http://www.gao.gov>.

If you or your staff have any questions about this report, please contact David C. Maurer at (202) 512-9627 or maurerd@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. Key contributors to this report are listed in appendix III.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'D. C. Maurer', with a long horizontal flourish extending to the right.

David C. Maurer, Director
Homeland Security and Justice Issues

Appendix I: Objectives, Scope, and Methodology

We examined the transition of the Federal Protective Service (FPS) from Immigration and Customs Enforcement (ICE) to the National Protection and Programs Directorate (NPPD). We address the following questions: (1) to what extent has the FPS transition been implemented and what related challenges, if any, did FPS and NPPD face in implementing the transition and (2) to what extent will the transition help address previously identified challenges to protecting federal facilities?

To determine the extent to which the FPS transition has been implemented and what challenges, if any, FPS and NPPD faced in implementing the transition, we reviewed documents related to the transition, including the August 2009 FPS-NPPD Transition Plan, all transition plan updates, DHS delegations of authority related to the execution and administration of FPS, and Memorandum of Agreement, Memorandum of Understanding, and all service level agreements signed among FPS, NPPD, and ICE. We interviewed FPS officials directly affected by the transition—including the FPS Deputy Director and Chief of Staff headquartered in Washington, D.C., and in each of 6 of FPS’s 11 regional offices, the Regional Director, Deputy Director for Operations, and Mission Support Chief. We chose these offices on the basis of geographical dispersion. They included: the Northwest/Arctic Region (Federal Way, Washington); the Greater Southwest Region (Grand Prairie, Texas); the Heartland Region (Kansas City, Missouri); the Great Lakes Region (Chicago, Illinois); the National Capital Region (Washington, D.C.); and the New England Region (Boston, Massachusetts). Among other things, we asked questions about their experiences regarding the transition of FPS’s mission and mission-support functions from ICE to NPPD. While the results of these interviews provided examples of FPS officials’ experiences and perspectives, they cannot be generalized beyond those we interviewed because we did not use statistical sampling techniques in selecting the regional offices, headquarters officials, and regional staff.

Additionally, we met with members of the transition senior working group, including the NPPD Senior Counselor to the Under Secretary and the FPS Director, as well as interviewed members of all 16 staff-level working groups to discuss the extent to which FPS’s 18 mission-support functions had transferred from ICE to NPPD. The working groups included officials from FPS, NPPD, ICE, and in some groups, DHS headquarters. We compared the FPS information technology (IT) transition schedule, the IT

transition cost estimate, and related documents to the practices in our Cost Estimating and Assessment Guide.¹ We focused on the IT mission-support function because it required a significant commitment of resources, oversight, and time by DHS to complete the transition. For the IT transition schedule and the cost estimate, we scored each best practice as either being Not met—DHS provided no evidence that satisfies any of the criterion; Minimally met—DHS provided evidence that satisfies a small portion of the criterion; Partially met—DHS provided evidence that satisfies about half of the criterion; Substantially met—DHS provided evidence that satisfies a large portion of the criterion; and Met—DHS provided complete evidence that satisfies the entire criterion. We provided the results of our schedule and cost analyses to DHS officials and met with them to confirm the results. Based on the interviews and additional documentation provided by DHS officials, we updated the results of our analyses, as needed.

We reviewed financial documentation provided by all three components reflecting transition costs such as salaries, benefits, and expenses for new personnel hired to support the FPS transition, financial management services provided by ICE, and IT deployment. To assess the reliability of this documentation, we (1) performed electronic testing for obvious errors in accuracy and completeness; (2) compared the data with other sources of information, such as payroll reports to payroll data, cost data from the ICE Office of Financial Management and documentation from the Intra-Governmental Payment and Collection (IPAC) system; and (3) interviewed agency officials knowledgeable about financial management and budgeting at all three agencies to discuss transition-related expenses incurred at the time of our review, and to identify any data problems. When we found discrepancies (such as data entry errors) we brought them to the officials' attention and worked with them to correct discrepancies before concluding our analysis. We found the cost data to be sufficiently reliable for the purposes of this review.

To determine the extent to which the transition will help address previously identified challenges to protect federal facilities, we reviewed prior GAO reports and testimonies related to FPS's facility protection efforts, and spoke with NPPD officials about FPS's ongoing challenges in

¹GAO, *GAO Cost Estimating and Assessment Guide: Best Practices for Developing and Managing Capital Program Costs*, [GAO-09-3SP](#) (Washington, D.C.: March 2009).

this regard.² We also reviewed and analyzed documentation, such as the transition plan, testimony from key senior leaders in NPPD and FPS provided for a hearing on the FPS transition, FPS's strategic plan, and NPPD's strategic activities report. Finally, we interviewed the Senior Counselor to the Under Secretary of NPPD, and FPS Deputy Director for Operations and Chief of Staff, and discussed actions underway or planned to further integrate FPS into NPPD.

We conducted this performance audit from October 2010 through July 2011 in accordance with 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.

²See, for example, GAO, *Homeland Security: Addressing Weaknesses with Facility Security Committees Would Enhance Protection of Federal Facilities*, [GAO-10-901](#) (Washington, D.C.: Aug. 5, 2010); *Homeland Security: Federal Protective Service's Contract Guard Program Requires More Oversight and Reassessment of Use of Contract Guards*, [GAO-10-341](#) (Washington, D.C.: Apr. 13, 2010); *Homeland Security: Ongoing Challenges Impact the Federal Protective Service's Ability to Protect Federal Facilities*, [GAO-10-506T](#) (Washington, D.C.: Mar. 16, 2010); *Homeland Security: Federal Protective Service Has Taken Some Initial Steps to Address Its Challenges, but Vulnerabilities Still Exist*, [GAO-09-1047T](#) (Washington, D.C.: Sept. 23, 2009); *Homeland security: Preliminary Results Show Federal Protective Service's Ability to Protect Federal Facilities Is Hampered by Weaknesses in Its Contract Security Guard Program*, [GAO-09-859T](#) (Washington, D.C.: July 8, 2009); and *Homeland Security: Federal Protective Service Should Improve Human Capital Planning and Better Communicate with Tenants*, [GAO-09-749](#) (Washington, D.C.: July 30, 2009).

Appendix II: Comments from the Department of Homeland Security

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



**Homeland
Security**

July 8, 2011

Mr. David C. Maurer
Director, Homeland Security and Justice
U.S. Government Accountability Office
4441 G Street, NW
Washington, DC 20548

Re: Draft Report GAO 11-554, "FEDERAL PROTECTIVE SERVICE: Progress Made but Improved Schedule and Cost Estimate Needed to Complete Transition"

Dear Mr. Maurer:

Thank you for the opportunity to review and comment on this draft report. The U.S. Department of Homeland Security (DHS) appreciates the U.S. Government Accountability Office's (GAO's) work in planning and conducting its review and issuing this report.

The Department is pleased to note the report's positive acknowledgement that DHS has successfully transferred the majority of the Federal Protective Service's (FPS's) mission support functions to the National Protection and Programs Directorate (NPPD) or other DHS Components. The report also recognizes that DHS has implemented a number of scheduling and cost estimating best practices during the transition. To accomplish this, senior representatives and subject matter experts (SMEs) from NPPD, U.S. Immigration and Customs Enforcement (ICE), and FPS built a comprehensive transition plan that was flexible enough to be adjusted when necessary as new hurdles or roadblocks to the transition became apparent. For example, NPPD senior leadership made deliberate decisions to delay the build-out of NPPD-level capacity in Facilities Management, Security Integrity and Personnel Security, and Equal Employment Opportunity support. With the exception of the Information Technology (IT) transition, on which work is continuing, the FPS transition to NPPD has been implemented on time, under projected budget, and with no adverse impact on the field operations of FPS's law enforcement and security personnel as they work to secure federal facilities and federal workers across the United States.

The draft report contained two recommendations with which DHS concurs, as discussed below. Specifically, to help ensure that DHS and Congress have reliable, accurate information on the timeframes and costs of transferring FPS from ICE to NPPD, GAO recommended that the

Secretary of Homeland Security direct the Director of FPS, in consultation with the Assistant Secretary of ICE and the Undersecretary for NPPD to:

Recommendation 1: Improve the schedule for transferring IT services, in accordance with the transition plan, and to reflect scheduling best practices.

Response: Concur. NPPD is currently taking steps to implement this recommendation. Details on actions taken to date follow:

- Using the *March 2009 GAO Cost Estimating and Assessment Guide (GAO-09-3SP)*, NPPD in June 2011 held working sessions with SMEs from the DHS, ICE, and FPS Chief Information Officer (CIO) teams to capture all transition activities in greater detail and to identify areas for implementation of best practices into schedule updates. These working sessions allowed NPPD to provide logical sequencing and establish durations and dependencies for all transition activities, allowing the organization to generate a critical path for all activities.

The NPPD CIO consulted with NPPD/United States Visitor and Immigrant Status Indicator Technology (US-VISIT) and adopted recommendations for schedule improvements, leveraging US-VISIT's lessons learned toward better alignment with the GAO best practices, acquisition of scheduling expertise, and acquisition of specific software tools. An updated draft of the schedule was distributed to the FPS IT Transition Integrated Project Team (IPT) and SMEs for review and confirmation of the resource assignments. An SME IPT was also established as a sub-group of the FPS IT Transition IPT to evaluate alternative technical methods that could increase automation and reduce cost.

- Over the last 2 months, NPPD has also updated the schedule by holding working sessions with SMEs from the DHS, ICE, and FPS CIO teams to capture all transition activities in greater detail and identify the current IT services provided by ICE CIO. NPPD is conducting periodic schedule reviews during weekly FPS IT Transition IPT meetings to provide visibility to all major stakeholders.

The working sessions separated functions and services into the areas of business applications project management and system development, IT infrastructure support, IT field operations support, applications hosting environments, enterprise architecture, and telecommunications. The primary intent of this ongoing effort is to find alternative methods that will allow increased automation and deflect non-required activities from the critical path.

- NPPD also plans to take action to hire additional SMEs to guide these scheduling efforts. In particular, NPPD plans to acquire the services of a Master Scheduler to provide ongoing scheduling expertise to the NPPD CIO organization and augment FPS IT branch staff. The Master Scheduler will be responsible for managing and monitoring all NPPD IT initiatives, including the FPS IT Transition. This need will be met by a government full-time employee, detailee, or contractor support. Additionally, the August 2009 FPS-

NPPD Transition Plan identified eight additional staff required for FPS IT branch support in the areas of IT, cost estimation, logistics, information security, and mission support. Hiring actions are underway, and three of the eight positions have already been filled.

Recommendation 2: Update the IT transition cost estimate, in accordance with cost-estimating best practices.

Response: Concur. NPPD is taking steps to update and improve the cost estimate using best practices. To accomplish this, NPPD is researching and resolving cost-estimating deficiencies identified in the GAO report in collaboration with the DHS CIO. The original cost estimate was based on worst case transition and considered full replacement costs and customized migrations. Consultation with other groups that have been transitioned by ICE (namely U.S. Citizenship and Immigration Services) and detailed technical discussions suggest a new transition scenario in which only selective replacement of infrastructure may be required and the labor-intensive customized migration of individual users and their workstations would likely be minimal. This in turn as has resulted in an ongoing refinement of the cost basis; however, some regional and site differences would still exist and are being categorized. The results of the detailed analysis of the technical alternative will likely establish a new basis for the cost estimation.

NPPD also plans to identify an alternate network design solution that may reduce transition cost. Alternative network designs, based on the evolution of the DHS network infrastructure (ONENET) and the introduction and establishment of trusted network zones within DHS, are likely available. These designs could reduce the complexity of the network migration as well as the need for additional network equipment to support the previous requirements of the ONENET infrastructure. NPPD will also refine the cost estimate after discussing network design discussions with SMEs and incorporating cost-estimating best practices.

Again, thank you for the opportunity to review and comment on this draft report. We look forward to working with you on future Homeland Security issues.

Sincerely,



Jim H. Crumpacker
Director
Departmental GAO/OIG Liaison Office

Appendix III: GAO Contact and Staff Acknowledgments

GAO Contact

David C. Maurer at (202) 512-9627 or at maurerd@gao.gov

Staff Acknowledgments

In addition to the contact named above, Sandra Burrell, Assistant Director, and Valerie Kasindi, Analyst-in-Charge, managed this assignment. Don Kiggins made significant contributions to the work. Gary Mountjoy provided expertise on IT issues and Jack Warner provided expertise on financial management issues. Tracey King provided legal support. Michele Fejfar assisted with design and methodology and Karen Richey provided expertise on cost estimation and scheduling best practices. Katherine Davis provided assistance in report preparation and Robert Robinson developed the report's graphics.

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