

GAO Highlights

Highlights of [GAO-18-172](#), a report to the Ranking Member, Committee on Homeland Security and Governmental Affairs, U.S. Senate

Why GAO Did This Study

TSA is responsible for securing the nation's transportation systems and uses security technologies to screen airline passengers and their luggage to prevent prohibited items from being carried on commercial aircraft. TSA has special authority for using OTAs, which are not subject to certain federal contract laws and requirements. OTAs provide flexibility to help meet mission needs, but potentially carry the risk of reduced accountability and transparency.

GAO was asked to examine TSA's use of OTAs. This report addresses: (1) the extent and purposes of TSA's use of OTAs, and (2) how TSA ensures prices are reasonable and how it oversees OTAs.

To address TSA's use of OTAs, GAO analyzed data on OTA awards and obligations from the Federal Procurement Data System-Next Generation from fiscal years 2012 to 2016 (the most recent years for which data were available). GAO determined that data were sufficiently reliable to report on TSA's minimum use of OTAs. To examine how TSA prices and oversees OTAs, GAO selected a nongeneralizable sample of 29 OTAs from the 8 TSA programs that awarded them based on program size and OTA value. GAO reviewed relevant documentation, and interviewed contracting and program officials.

What GAO Recommends

GAO is not making any recommendations in this report.

View [GAO-18-172](#). For more information, contact William T. Woods at (202) 512-4841 or woodsw@gao.gov.

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TRANSPORTATION SECURITY ADMINISTRATION

After Oversight Lapses, Compliance with Policy Governing Special Authority Has Been Strengthened

What GAO Found

During fiscal years 2012 through 2016, the Transportation Security Administration (TSA) awarded at least 1,039 other transaction agreements (OTA) and obligated at least \$1.4 billion on them. These agreements, which are neither traditional contracts nor grants, were primarily used to reimburse airports and law enforcement agencies for the costs associated with TSA security programs. For example,

- TSA awarded at least 109 OTAs and obligated at least \$783 million from fiscal years 2012 through 2016 to reimburse airports for the allowable design and construction costs associated with installing, updating, or replacing checked baggage screening systems.
- TSA also used OTAs for intelligence analysis and to offset the costs of providing canines for explosives detection, among other things.

TSA Used Other Transaction Agreements to Reimburse Airports for Design and Construction Costs Associated with Checked Baggage Screening Systems



Source: Transportation Security Administration. | GAO-18-172

For the selected 29 OTAs GAO reviewed, GAO found that the methods TSA used to determine price reasonableness varied depending on the complexity of the requirement. For example,

- For complex design and construction projects, TSA compared independent government cost estimates with contractor bids. Certified program managers monitored project schedule and scope through site visits and status reports.
- In contrast, TSA independently verified the rates set by the local power authority when reimbursing some airports for electricity costs to operate TSA screening equipment.

GAO also found that TSA has taken action to address prior lapses in oversight, resulting in improved compliance. In 2015, TSA identified significant gaps in OTA file documentation and data reported in the Federal Procurement Data System-Next Generation. TSA took action to address these deficiencies by (1) updating its policy, (2) requiring additional training for contracting officers, (3) instituting monthly data verification, and (4) monitoring compliance through quarterly reviews. GAO's analysis confirmed that the quality of the data had improved between fiscal year 2012 and 2016. Moreover, the 29 OTAs generally met key requirements of TSA's policy that GAO identified.