



**Testimony of Scott Amey, General Counsel
Project On Government Oversight (POGO)
before the House Committee on Homeland Security**

“Responsibility in Federal Homeland Security Contracting”

April 20, 2007

Good morning, Mr. Chairman Thompson, Ranking Member King, and Members of the Committee.

Thank you for inviting me to testify today about the state of the federal and DHS contracting systems. I am Scott Amey, General Counsel and Senior Investigator with the Project On Government Oversight (POGO), a nonpartisan public interest group. Founded in 1981, POGO investigates and exposes corruption and other misconduct in order to achieve a more accountable federal government.¹

Throughout its twenty-six-year history, POGO has created a niche in investigating, exposing, and helping to remedy waste, fraud, and abuse in government spending. One of POGO’s most celebrated investigations uncovered outrageously overpriced military spare parts such as the \$7,600 coffee maker and the \$436 hammer. Since that time, particularly in the 1990s, many acquisition reforms have been implemented. The reforms, however, were not all they were cracked up to be. The problems created by the reforms became starkly apparent after the beginning of the Afghanistan and Iraq Wars, and after Hurricane Katrina devastated the Gulf Coast. These events showed that contracting decisions were placing taxpayer dollars – and sometimes lives – at risk.

The war on terror and the post-hurricane recovery and reconstruction effort also highlighted how drastically different the federal government’s contracting landscape is now from what it was in past decades. Contracting dollars have increased, oversight has decreased, the acquisition workforce is stretched thin, and spending on services now outpaces spending on goods. (Because the return on services is more difficult to quantify than on goods, contracting is even more vulnerable to waste, fraud, and abuse.) If the problems with the contracting process are not corrected now, POGO believes the next consulting or information technology contract will mirror the misspending characterized by the hammers and coffee makers in the mid-1980s. We provide the following procurement history and recommendations as a roadmap to assist Congress in better overseeing the use of taxpayer dollars.

¹ For more information on POGO, please visit www.pogo.org.

Contracting Past

The 1980s witnessed some of the strongest pro-taxpayer contracting reforms implemented to date. During the decade, the Competition in Contracting Act (CICA) was passed,² the Cost Accounting Standards (CAS) Board was reestablished,³ the False Claims Act was strengthened,⁴ and there was a greater emphasis placed on the Truth in Negotiations Act (TINA)⁵. Those actions increased competition in contracting, provided uniformity in contractor accounting practices, prevented fraud, and allowed the government to review contractor cost or pricing data to ensure taxpayer dollars were being spent wisely.

In the 1990s the Clinton-Gore Administration's effort to reinvent government so that it operated more like the private sector and decreased contracting red-tape succeeded to a point. But acquisition reform – which was part of reinventing government – resulted in several laws that made government contracts more susceptible to misconduct, cost more, and get results contractors care about rather than making the government “work better, cost less, and get results Americans care about,”⁶ as was its intent. Those laws reduced contract oversight, making it difficult for government investigators and auditors to find waste, fraud, and abuse,⁷ and created risky contracting vehicles that often place public funds at risk.

Finally, “best value contracting”⁸ further swung the pendulum away from protecting taxpayers and allowed contracts to be steered to well-connected, influential, and sometimes undeserving contractors.

² 10 U.S.C. § 2304(a) (1) (applicable to DOD); 41 U.S.C. § 253(a) (1) (applicable to other executive agencies); 41 U.S.C. § 403(6) (definition of “full and open competition”).

³ The Board's regulations are codified at 48 CFR, Chapter 99. *See* FAR Part 30 (Cost Accounting Standards Administration).

⁴ The False Claims Act (31 U.S.C. §§ 3729-3733) was originally passed in 1863 at the urging of President Abraham Lincoln, who was attempting to halt the Civil War profiteering that was crippling the Union Army. Amendments to the Act in 1986, championed by Senator Charles Grassley (R-IA), increased the penalties for fraud and encouraged private citizens to come forward if they were aware of corporations defrauding the government.

⁵ 10 U.S.C. § 2306a, 41 U.S.C. § 254b.

⁶ The Clinton-Gore initiative was known as the “National Performance Review” and the “National Partnership For Reinventing Government.” Available at <http://govinfo.library.unt.edu/npr/index.htm>.

⁷ The Federal Acquisition Streamlining Act of 1994 (FASA) (Public Law 103-355), the Federal Acquisition Reform Act of 1996 (FARA) (Public Law 104-106), and the Services Acquisition Reform Act of 2003 (SARA) (Public Law 108-136).

⁸ “Best value” contracting had been used in certain instances, but was added to the Federal Acquisition Regulation (FAR) in August 1997. A policy debate continues pitting “low price” against “best value” as the preferred method for buying goods and services. Buying goods and services at the “lowest practical cost” would allow for some buying flexibility and provide a more objective criteria that would prevent the unjustified steering of contracts to non-responsible, questionable, or politically-connected companies.

Contracting Present

Simply stated, the contracting landscape has drastically changed in recent years and the government must do a better job to ensure that taxpayer dollars get spent wisely. Federal contract spending has dramatically increased while government control, competition, and oversight has been reduced. This bodes ill for taxpayers, as can be seen by the problems below.

The Big Picture

- Contract spending for goods and services has nearly doubled in recent years, increasing from \$219 billion in fiscal year 2000 to nearly \$417 billion in fiscal year 2006.⁹
- The federal government is spending more on services than goods.¹⁰
- No-bid contracts, a rarity in the private sector,¹¹ have become commonplace in the government. Nearly 40 percent of all contract spending is awarded without competition.¹²
- In addition, one-bid offers account for 20 percent of “competed” contract spending.¹³
- The government is relying on contractors to execute jobs once performed by civil servants, including policy-making and budgetary decisions.¹⁴ The federal contracting workforce, depending on the definition that you use, has leveled-off since the mid-1990s.¹⁵
- The vastly expanded definition of “commercial item” has resulted in decreased oversight of and accountability for contractors because they no longer have to provide certified cost or pricing data for the “commercial” goods or services.

⁹ Federal Procurement Data Service - Next Generation, “Trending Analysis Report for the Last 5 Years,” and “List of Agencies Submitting,” as of April 17, 2007. Available at http://www.fpdsng.com/downloads/top_requests/FPDSNG5YearViewOnTotals.xls and http://www.fpdsng.com/downloads/agency_data_submit_list.htm.

¹⁰ Acquisition Advisory Panel, “Report of the Acquisition Advisory Panel to the Office of Federal Procurement Policy and the United States Congress,” December 2006, p. 2-3. Available at <http://www.acqnet.gov/comp/aap/documents/DraftFinalReport.pdf>. Hereinafter “1423 Panel Report.”

¹¹ 1423 Panel Report, p. 2.

¹² 1423 Panel, “Findings and Recommendations on Data,” August 10, 2006, p. 3-4. Hereinafter “1423 Panel Data.” Available at <http://www.acqnet.gov/comp/aap/documents/Data%20Findings%20and%20Recommendations%20Charts%2008%2010%2006.pdf>.

¹³ 1423 Panel Data, at p. 7.

¹⁴ See FAR Subpart 7.503.

¹⁵ 1423 Panel Report, p. 3.

- Interagency contracting continues to increase – GSA schedule sales totaled \$35.1 billion in FY 2006.¹⁶ Although interagency contracts provide agencies flexibility to purchase commonly required goods and services, which can save taxpayers money, they are also risky and prone to abuse. Monitoring and oversight have been very poor and competition has been lacking.¹⁷
- The government recovered a record \$3.1 billion in settlements and judgments in cases involving allegations of fraud against the government in FY 2006 and has recovered \$18 billion since 1986.¹⁸
- Bid protest sustain rates (when GAO agrees that a contract was awarded improperly) have increased to nearly 30 percent,¹⁹ which illustrates that flawed contract award decisions – both honest and egregious – are being made at a higher rate than in the past.

Homeland Security

- DHS contract spending has increased from \$3.4 billion in fiscal year 2003 to \$15.8 billion in fiscal year 2006.²⁰ That total makes DHS the third largest agency, after DOD (\$296 billion) and DOE (\$22 billion).
- Nearly \$5.2 billion of the \$10.3 billion – or 50 percent – in contract awards during FY 2005 were non-competitive.²¹ The use of no-bid contracts increased from 23

¹⁶ GAO Report (GAO-07-310), High-Risk Series: An Update, January 2007, p. 77. Available at <http://www.gao.gov/new.items/d07310.pdf>.

¹⁷ *Id.*

¹⁸ DOJ Press Release (06-783), “Justice Department Recovers Record \$3.1 Billion in Fraud and False Claims in Fiscal Year 2006,” November, 21, 2006. Available at http://www.usdoj.gov/opa/pr/2006/November/06_civ_783.html.

¹⁹ GAO Report (GAO-07-155R), Letter to The Honorable J. Dennis Hastert, Speaker of the House of Representatives, November 15, 2006, p. 2. Available at <http://www.gao.gov/special.pubs/bidpro06.pdf>.

²⁰ Federal Procurement Data Service - Next Generation, “FY 2003, Section III, Agency Views,” p. 90 and “List of Agencies Submitting,” as of April 12, 2007, p. 1. Available at http://www.fpdsg.com/downloads/FPR_Reports/FPR2003c.pdf and http://www.fpdsg.com/downloads/agency_data_submit_list.htm.

²¹ POGO’s estimate combines contracts designated as “Not Competed,” “Not Available for Competition,” “Not Competed under SAT,” “Follow On to Competed Action,” and “non-Competitive Delivery Order.” Federal Procurement Data Service - Next Generation, “FPDS-NG Federal Procurement Report FY 2005, Section III, Agency Views,” as of April 17, 2007, p. 86. Available at http://www.fpdsg.com/downloads/FPR_Reports/2005_fpr_section_III_agency_views.pdf

percent in FY 2004 to 37 percent in FY 2005.²²

- Approximately 65 percent (\$6.8 billion) of DHS contract dollars were awarded in fixed-price contracts in fiscal year 2005.²³
- Commercial item acquisitions accounted for \$467 million in FY 2005 – down 13 percent from FY 2004.²⁴
- Performance-based service acquisitions accounted for nearly \$1.5 billion in FY 2005 – down 6 percent from FY 2004.²⁵
- DHS awarded 46.6 percent of its contract dollars to small businesses – greatly exceeding the general 23 percent small business goal.²⁶

As the above information shows, DHS is doing some things well. For instance, DHS's use of risky contract vehicles decreased in FY 2005 and the agency contracted with a large percentage of small businesses. Additionally, DHS's use of fixed-price contracts helps DHS eliminate some contracting problems. That stated, however, POGO has a number of concerns about the state of DHS contracting.

DHS Responsibility

DHS's mission is to prevent terrorist attacks in the U.S., reduce America's vulnerability to terrorism, and minimize damage from terrorism and natural disasters. To fulfill this mission, DHS has a vast organizational mandate that ranges from protecting the President (U.S. Secret Service), to protecting our oceans (U.S. Coast Guard), to protecting our borders (Customs & Border Protection and Immigration & Customs Enforcement), to protecting our airports (Transportation Security Administration), and to helping every town, city, county, and state in relief, recovery, and reconstruction efforts (Federal Emergency Management Agency). As a result, DHS has to be on the cutting edge of innovation, technology, and service to stay at least one step ahead of threats to our nation. Yet, it still must protect the U.S. taxpayers.

²² FY 2005 listed \$3.8 billion out of \$10.3 billion as "Not competed." Available at http://www.fpdnsng.com/downloads/FPR_Reports/2005_fpr_section_III_agency_views.pdf. FY 2004 listed \$1.4 billion out of \$6.1 billion as "Not competed." Available at http://www.fpdnsng.com/downloads/FPR_Reports/fpr_section_III_agency_views.pdf.

²³ *Id.*, at p. 87.

²⁴ *Id.*, at p. 88.

²⁵ *Id.*

²⁶ Federal Procurement Data System - Next Generation, "Small Business Goaling Report Actions Reported Between Fiscal Year 2005 (Q1) and Fiscal Year 2005 (Q4)." As of April 17, 2007. Available at http://www.sba.gov/GC/goals/SmallBusinessGoalingReport_2005.pdf.

It is difficult to tell if DHS is succeeding in contracting to meet its mission – especially considering the emergency contracting environment in which the agency often works. Last week, however, this Committee released a reported on “The State of Homeland Security,” which rated DHS in light of how it performed on seventeen homeland security issue areas.²⁷ POGO was disappointed to learn that no DHS component received a grade higher than a “B,” and that four components received a “C- ”or lower. The two functions at the heart of today’s hearing – “Emergency Preparedness/FEMA” and “Procurement” – each received a “C-.” The fact that DHS received a C- is indicative of the large problems that DHS is experiencing in contracting and that it must become more responsible when spending taxpayer dollars.

While the Committee’s report card stated that DHS succeeded in awarding some contracts, it also found for the most part that the agency failed in three key procurement measures – “cost, performance/meeting requirements, and schedule. Unfortunately, the Department’s [DHS’s] track record in all three is poor.”²⁸ The Committee further stated that “oversight and management of basic procurement processes [have] been weak.”²⁹ The report highlighted procurement missteps in the Deepwater program,³⁰ the Integrated Surveillance Intelligence System (ISIS), and eMerge2. Those contracting missteps compound the many mistakes made

²⁷ U.S. House of Representatives Committee on Homeland Security, “The State of Homeland Security: The 2007 Annual Report Card on the Department of Homeland Security,” April 13, 2007, p. 5. Hereinafter “DHS Report Card.” Available at <http://homeland.house.gov/SiteDocuments/20070413143439-12273.pdf>.

²⁸ DHS Report Card, at p. 66.

²⁹ *Id.*

³⁰ POGO applauds the Coast Guard’s recent decision to take over the role of lead systems integrator for the \$24 billion Deepwater acquisition program. That shift in management and control of the program should enhance oversight of and accountability in the Deepwater program.

prior to and after Hurricane Katrina – some of the same contracting problems that occurred in the “aftermath of Hurricane Andrew in 1992, which leveled much of South Florida.”³¹

This Committee’s findings confirmed those of a 2007 GAO investigation into the problems facing DHS. The GAO stated:

The auditors continue to report 10 material internal control weaknesses and that DHS’s financial systems do not substantially comply with federal requirements. These weaknesses highlight the concern that DHS, the second-largest government agency, may not be able to account for all of its funding and resources or have reliable financial information for management and budget purposes.

DHS has not institutionalized an effective strategic framework for information management to, among other things, guide technology investments, and despite some progress, DHS’s human capital—the centerpiece of its transformation efforts—and acquisition systems will require continued attention to help prevent waste and to ensure that DHS can allocate its resources efficiently and effectively.

* * *

To help ensure its missions are achieved, DHS must overcome continued challenges related to ... clearly defining leadership roles and responsibilities, developing necessary disaster response capabilities, and establishing accountability systems to provide effective services while protecting against waste, fraud, and abuse at the Federal Emergency Management Agency (FEMA).³²

Many of the Committee’s and the GAO’s concerns were confirmed in Inspector General Richard Skinner’s testimony before this Committee on February 7, 2007. Inspector General Skinner testified that DHS “identified significant risks and vulnerabilities that might threaten the integrity of DHS’s acquisition management program. In general, DHS needs to improve its major acquisitions planning, operational requirements definition, and implementation oversight.”³³ Unfortunately, Mr. Skinner places too much blame on acquisition workforce shortages and doesn’t look hard enough at DHS’s overall contracting system to determine if that system is working in the best interests of

³¹ GAO Report (GAO-06-442T), “Hurricane Katrina: GAO’s Preliminary Observations Regarding Preparedness, Response, and Recovery,” March 8, 2006, p. 2. Available at <http://www.gao.gov/new.items/d06442t.pdf>.

³² GAO Report (GAO-07-452T), “Homeland Security: Management and Programmatic Challenges Facing the Department of Homeland Security,” February 7, 2007, p. 2-3. Available at <http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=gao&docid=f:d07452t.pdf>.

³³ Statement of Richard L. Skinner, Inspector General, U.S. Department of Homeland Security, Before The Committee on Homeland Security, U.S. House of Representatives, “An Overview of Issues and Challenges Facing the Department of Homeland Security,” February 7, 2007, p. 7. Available at http://www.dhs.gov/xoig/assets/testimony/OIGtm_RLS_020707.pdf.

both DHS and taxpayers.

For example, DHS was in a position to use pre-negotiated contracts for the Hurricane Katrina response, but failed to do so. GSA Schedules offer government buyers goods and services at pre-negotiated rates from approved vendors. Even though one vehicle leasing company on the GSA Schedule could have provided FEMA with vehicles for under \$600 per month,³⁴ the agency instead leased 18 vehicles from Enterprise Rent-A-Car at the annual price of \$11,232 a vehicle (\$936 per month).³⁵

At the same time that DHS is struggling with its contracting procedures, its contractors are lining up to learn the tricks to receiving more contract dollars. Fedmarket.com held a seminar on May 26, 2006, with topics including: “The advantage and disadvantages of selling to DHS,” “Ways to keep your investment in the DHS market reasonable and your sales costs down,” “Locating DHS sales opportunities,” “Identifying DHS procurement decisions makers,” and “Simplified Acquisition Procedures.”³⁶ Although this is common in and around the Beltway, it emphasizes the fact that contractors are jumping at the opportunity to learn how to maximize some, if not all, of the agency’s contracting vulnerabilities.

Although many Members of Congress, media outlets, and public interest groups point fingers at the contractors, the problem is much deeper. DHS is in a vulnerable position: the agency has poor contract management policies and procedures, while at the same time it is buying infant technologies, and buying under emergency circumstances where competition is, by necessity, limited or non-existent. As a result, DHS is frequently placing all of its contracting eggs in one basket. In cases when competition is limited or non-existent, Congress, DHS contract and program officers, and agency oversight officials must place a greater emphasis on pre-award decisions and on post-award monitoring and administration. DHS must establish integrity in its buying system: its current system is plagued with improperly awarded, out-of-scope, overpriced contracts, and with contracts that produce little or no results.

Awards to Responsible Contractors

Government contracts are predicated on a basic principle – taxpayer dollars should be awarded to responsible contractors only. FAR Subpart 9.103 states:

(a) Purchases shall be made from, and contracts shall be awarded to, **responsible prospective contractors only**.

³⁴ GSA, “GSA Schedule e-Library Schedule Details.” Available at <http://www.gsaelibrary.gsa.gov/ElibMain/SinDetails;jsessionid=www.gsaelibrary.gsa.gov-50c9%3A43f09ea8%3A34ac18eed43496?executeQuery=YES&scheduleNumber=751&flag=&filter=&specialItemNumber=751+1>.

³⁵ Chris Joyner, Clarion Ledger, “FEMA car rentals draw criticism,” February 10, 2006.

³⁶ Fedmarket.com, “Selling to the Department of Homeland Security Seminar,” May 26, 2006.

(b) No purchase or award shall be made unless the contracting officer makes an affirmative determination of responsibility. **In the absence of information clearly indicating that the prospective contractor is responsible, the contracting officer shall make a determination of nonresponsibility.** (Emphasis added.)

To be determined responsible, a prospective contractor must:

(a) Have adequate financial resources to perform the contract, or the ability to obtain them (see 9.104-3(a));

(b) Be able to comply with the required or proposed delivery or performance schedule, taking into consideration all existing commercial and governmental business commitments;

(c) Have a satisfactory performance record (see 9.104-3(b) and Subpart 42.15). A prospective contractor shall not be determined responsible or nonresponsible solely on the basis of a lack of relevant performance history, except as provided in 9.104-2;

(d) Have a satisfactory record of integrity and business ethics.

(e) Have the necessary organization, experience, accounting and operational controls, and technical skills, or the ability to obtain them (including, as appropriate, such elements as production control procedures, property control systems, quality assurance measures, and safety programs applicable to materials to be produced or services to be performed by the prospective contractor and subcontractors). (See 9.104-3(a).)

(f) Have the necessary production, construction, and technical equipment and facilities, or the ability to obtain them (see 9.104-3(a)); and

(g) Be otherwise qualified and eligible to receive an award under applicable laws and regulations.³⁷

Questions should be raised within DHS, and the government in general, when contracts are awarded to risky contractors. These include contractors that have defrauded the government or violated laws or regulations,³⁸ contractors that had poor work performance during a contract, or contractors that had their contracts terminated for default. Continuing to award contracts to such contractors undermines the public's confidence in the fair-play process and exacerbates distrust in our government. It also results in bad deals for the agency and for the taxpayer.

³⁷ FAR Subpart 9.104-1 ("General standards").

³⁸ POGO published a Federal Contractor Misconduct Database in 2002. Available at <http://www.pogo.org/db/>. A new and improved version of that database, including misconduct involving the Top 100 federal contractors will be released in 2007.

In an effort to prevent contracting with the “usual suspects” that have long rap sheets of misconduct, DHS should look for responsible vendors during its planning and contingency contracting phase. Some of the largest contractors hired to respond to the hurricanes in 2005 have checkered histories of misconduct: CH2M Hill (5 instances); Bechtel (12 instances); Halliburton/KBR (11 instances); and Fluor (20 instances). Instances of misconduct include: false claims against the government, violations of the Anti-Kickback Act, fraud, conspiracy to launder money, retaliation against workers’ complaints, and environmental violations.³⁹ DHS is shirking its responsibility to vet contractors and determine whether they are truly responsible. POGO is concerned that pre-award contractor responsibility determinations have fallen to the wayside. DHS and other federal agencies seem more concerned with awarding contracts quickly rather than ensuring the government gets the best goods or services at the best practical price.

Another problem that faces DHS is the under-utilization of the suspension and debarment system as a tool to weed out risky contractors. To be fair, the problem is not limited to DHS – all federal agencies under-use suspension and debarment against large contractors that supply the majority of the \$417 billion worth of goods and services to the federal government each year. Overall, the government needs to reemphasize the importance of preventing risky contractors from receiving future taxpayer dollars.

Contracting Future

While examining on systemic contracting issues, I request that the Committee look at the report produced by the Acquisition Advisory Panel (also known as the 1423 or the Services Acquisition Reform Act (SARA) Panel).⁴⁰ During the nearly two years after its initial meeting in February 2005, the Panel held over 30 public meetings, interviewed scores of government and private sector witnesses, reviewed thousands of pages of testimony, studied numerous government reports, and formulated hundreds of findings and recommendations that, if considered and passed by Congress, could improve the government's system for buying goods and services. Although some of the Panel’s recommendations do not go as far as POGO would like, the majority would still improve competition, negotiations, oversight, transparency, and spending decision-making.

Conclusion

Acquisition reform and the changed contracting landscape have placed taxpayer dollars at risk. POGO has witnessed the weakening or bypassing of taxpayer protections, and the unraveling of free market forces that protect government agencies. For years, IG and GAO reports have exposed specific contracting missteps in individual cases of waste, fraud, and abuse. But the findings and recommendations from the individual cases are applicable to the larger systemic problems with DHS’s, and the rest of the federal government’s, contracting laws and regulations.

Recommendations

³⁹ *Id.*

⁴⁰ 1423 Panel Report. Available at <http://www.acqnet.gov/comp/aap/documents/DraftFinalReport.pdf>.

POGO has highlighted the following government-wide contracting problems, which we hope will be considered by the Committee:

1. **Cozy Negotiations** – To make every effort to get the best value for the taxpayer, the government must promote aggressive arm’s-length negotiations with contractors.
2. **Inadequate Competition** – To better evaluate goods and services and get the best value, the government must encourage genuine competition so that it can correct the current trend of entering into non-competitive contracts in over 40 percent of government purchases.
3. **Lack of Accountability** – To ensure that taxpayer dollars are being spent responsibly, the government must regularly monitor and audit contracts after they are awarded.
4. **Little Transparency** – To regain public faith in the contracting system, the government must ensure that the contracting process is open to the public, including contractor data and contracting officers’ decisions and justifications.
5. **Risky Contracting Vehicles** – To prevent abuse, the government must ensure that risky contract types that have been abused in the past (including performance-based contracts, interagency contracts, “task and delivery orders” also known as Indefinite Delivery/Indefinite Quantity (ID/IQ) contracts under multiple award and government-wide acquisition contracts (GWACs), time & material contracts, purchase card transactions, commercial item purchases, and other transaction authority) are only used in limited circumstances and are accompanied by audit and oversight controls.

Specifically, POGO respectfully requests that this Committee consider the following recommendations to improve DHS contracting:

1. Ensure that full and open competition is the rule rather than the exception and restore the definition of “competitive bidding” to require at least two bidders.
2. Require that risky contract vehicles are used in limited circumstances and only when supported by proper justifications and oversight protections.
3. Review DHS commercial item and service acquisitions to ensure that a commercial marketplace exists.
4. Examine the use of ID/IQ and GWAC contracts to ensure that contractors are not receiving improper fees.
5. Investigate how prime contractors bill the government at their own labor rate(s) rather than the rate that they pay their subcontractors on Time and Material or Labor Hour (T&M/LH) contracts.

6. Confirm that contractors are not performing inherently governmental functions, which must be performed by civil servants.
7. Reaffirm Congress's commitment to fund contract oversight responsibilities.
8. Reestablish the taxpayer-protection checks and balances that have been removed from the contracting system.
9. Review DHS's use of the suspension and debarment system, especially as it has been applied to large contractors with repeated histories of misconduct.
10. Provide a fair playing field for all DHS contractors by requiring public posting of all task and delivery order opportunities on FedBizOpps website, and require copies of contracts and task and delivery orders awards be made publicly available on the Federal Procurement Data System (FPDS) website.