



One Hundred Thirteenth Congress  
U.S. House of Representatives  
Committee on Homeland Security  
Washington, DC 20515

November 5, 2013

Dr. Nick Nayak  
Chief Procurement Officer  
U.S. Department of Homeland Security  
Washington, DC 20528

Dear Dr. Nayak:

We are concerned with the awards made under the Department of Homeland Security (DHS) Enterprise Acquisition Gateway for Leading Edge Solutions II (EAGLE II) program. DHS took too long to make the awards, failed to ask vendor companies to update their pricing with a Best and Final Offer (BAFO), neglected to consider successful past performance at DHS, and made awards to some companies with questionable track records. These issues could lead to a waste of taxpayer dollars.

The component agencies that make up DHS rely heavily on information technology (IT) to perform a wide range of missions. As shown during our Oversight and Management Efficiency Subcommittee hearing in March 2013, IT is especially important with regard to border security and immigration enforcement. With one of the federal government's largest information technology budgets, DHS's component agencies such as Customs and Border Protection (CBP), Immigration and Customs Enforcement (ICE), and U.S. Citizenship and Immigration Services (USCIS) rely on critical IT systems in their daily operations to protect our nation's borders, prevent terrorists from entering the United States, and facilitate the legitimate flow of people and trade into and out of our country. Having visited the border at our ports of entry, we recognize the integral role IT infrastructure plays in the ability of ICE and CBP agents to carry out their mission.

The objective of the EAGLE II procurement was to establish the next generation of EAGLE Indefinite-Delivery, Indefinite-Quantity (IDIQ) contracts through the Department's strategic sourcing initiative. EAGLE II is of particular importance as the structure of this program is the backbone for billions in DHS IT service support purchases over the next five to seven years. It is imperative that DHS get EAGLE II right. Mistakes could severely hamper the agents protecting our nation and waste millions of dollars in poor contracting outcomes. As we have seen with the dismal rollout of Healthcare.gov, the last thing Americans need is another IT mess to fix.

DHS took three years to award a contract that excludes many companies who have been working at DHS in favor of untested companies. A contributing factor to these questionable awards

appears to be that the requirements in the procurement were at such a high level and so poorly written that DHS put itself in a position where nearly every vendor company could meet the requirements. This makes it virtually impossible to distinguish the true capabilities among companies, and allowed untested companies to receive the awards. Inexplicably, one of the awards went to a company that was previously suspended from federal contracting after wrongdoing in a FirstSource contract at DHS. The company submitted their EAGLE II proposal less than three months after they signed their Small Business Administration (SBA) agreement allowing them to perform federal work again. This does not make any sense.

We heard in testimony during our July 2013 Subcommittee on Transportation Security hearing, that procurement decisions are often too insulated and do not include appropriate communication with vendor companies to achieve the most practical solution at the best cost. We have received numerous complaints that there has been very little worthwhile communication or interaction by DHS with vendor companies throughout the entire procurement of EAGLE II. Poor communication by DHS with private sector vendor companies is a common theme of complaints over the years at DHS and is a major contributing factor as to why many major procurements are protested.

Due to the concerning nature of this award, please explain how the EAGLE II awards were made. Specifically, please provide detailed answers to the following questions:

1. Why did it take DHS nearly three years to award this contract?
2. Since it took so long to award, why did DHS not give vendors an opportunity to update their pricing with a Best and Final Offer (BAFO)?
3. It appears DHS discarded past performance and went with the lowest cost providers. Please explain why this is a good long-term acquisition strategy for DHS.
4. In October 2010, GTSI was suspended from government contracting by the SBA after wrongdoing related to a DHS FirstSource contract. Please explain why this company was selected for EAGLE II. Is GTSI subject to any strict conditions or monitoring as a result of agreements they have with DHS or the SBA?
5. The outcome of the source selection appeared to disproportionately negatively affect larger aerospace and defense (A&D) companies. How does DHS believe that the companies awarded under EAGLE II can match the breadth, depth and performance on contracts of similar size, scope and complexity for IT work that many of the A&D companies perform? What will DHS do to ensure that taxpayers are getting the most for their money on these IT services?
6. DHS has directed its component agencies to use Eagle II for IT support services; however, given the list of companies and their potential lack of ability to deliver mission-critical services, what is the incentive for a component agency to use EAGLE II?




7. Will component agencies be allowed to use exemptions to EAGLE II to leverage IT solutions from companies excluded from the contract? If so, how will that be accomplished on a consistent basis?
8. What will DHS do to explain EAGLE II decision making to vendor companies in a way that gives them useful feedback?
9. What efforts did DHS take in crafting requirements for EAGLE II that would address U.S. citizen privacy rights and what efforts has DHS taken to ensure component agencies will be able to safeguard the privacy of U.S. citizen records data that may be included in IT support services shared among component agencies?
10. Please quantify EAGLE II resource expenditures.
  - a. How much time and money DHS has spent on preparing and executing the EAGLE II procurement to this point?
  - b. How much has DHS obligated and expended to date for IT services provided under EAGLE II?
  - c. How much does DHS plan to spend on these IT services in fiscal year 2014?

We appreciate your immediate attention to this issue and anticipate your prompt reply.

Sincerely,



Michael T. McCaul  
Chairman



Jeff Duncan  
Chairman  
Subcommittee on Oversight and  
Management Efficiency