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Description of document: Department of Homeland Security reports to Congress not published on the DHS website, 2009-2010

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Released date: 20-July-2010  
02-August-2010

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Source of document: FOIA Request

Department of Homeland Security

OIG Office of Counsel

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Washington, D.C. 20528-0001

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Homeland  
Security

July 20, 2010

Re: **10-OPS-041/DHS 10-0392**

This is the final response to your February 14, 2010, Freedom of Information Act (FOIA) request to the Department of Homeland Security (DHS) for a copy of each substantial report from DHS to Congress or a Congressional Committee between January 1, 2008 to the present, that was not published on the DHS website. Seventy (70) pages were referred to the Office of Operations Coordination (OPS) from DHS Headquarters for our review. This office received them on July 14, 2010.

After carefully reviewing the responsive documents, I determined that they are appropriate for public release. They are enclosed in their entirety; no deletions or exemptions have been claimed.

Provisions of the FOIA allow us to recover part of the cost of complying with your request. In this instance, because the cost is below the \$14 minimum, there is no charge.

If you need to contact us about this request, please refer to **10-OPS-041**. You may contact this office at 202-357-7626.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael Page".

Michael Page  
FOIA Officer  
Office of Operations Coordination and Planning

Enclosure(s): 70 pages



Homeland  
Security

August 2, 2010

Re: **DHS/MGMT 10-207**

This is the final response to your February 14, 2010, Freedom of Information Act (FOIA) request to the Department of Homeland Security (DHS) for each substantial report from the Department of Homeland Security to Congress or a Congressional Committee between January 1, 2008 and the present that is not published on the DHS website. This office received your request on July 15, 2010.

In responding to this FOIA request, the DHS/Management Directorate searched for responsive documents in its control on the date the search began. We began our search on July 15, 2010.

We are granting your request under the FOIA, Title 5 U.S.C. § 552, as amended, and DHS' implementing regulations, 6 C.F.R. Chapter I and Part 5. After carefully reviewing the responsive documents, I determined that they are appropriate for public release. They are enclosed in their entirety; no deletions or exemptions have been claimed.

Provisions of the FOIA allow us to recover part of the cost of complying with your request. In this instance, because the cost is below the \$14 minimum, there is no charge.

If you need to contact us about this request, please refer to **DHS/MGMT 10-207**. You may contact this office at (202) 447-3106 or [foia.mgmt@dhs.gov](mailto:foia.mgmt@dhs.gov).

Sincerely,

A handwritten signature in black ink, appearing to read "Mark Dorgan".

Mark Dorgan  
FOIA Officer

Enclosure(s): Responsive Documents

DEC 03 2009



**Homeland  
Security**

The Honorable Daniel K. Akaka  
Chairman  
Subcommittee on Oversight of Government  
Management, the Federal Workforce  
and the District of Columbia  
Committee on Homeland Security  
And Governmental Affairs  
United States Senate  
Washington, DC 20510

Dear Mr. Chairman:

We would like to express our views on S. 872, the "Effective Homeland Security Management Act of 2009," which was reported with amendments by the Senate Committee on Homeland Security and Governmental Affairs on October 26, 2009. This bill would elevate the Under Secretary for Management within the Department of Homeland Security (DHS) to a Deputy Secretary for Management and make the position the Department's third highest official subordinate only to the Secretary and the Deputy Secretary. The newly created Deputy Secretary for Management would serve a five year term and be subject to removal by the President for unsatisfactory performance after the reasons for removal are reported to Congress. Although we greatly appreciate Congress's interest in ensuring the successful management of the Department, we oppose this legislation for the reasons set forth below.

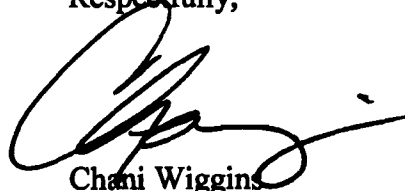
Creating a Deputy Secretary for Management in DHS would result in an undesirable organizational structure that would negatively alter existing lines of accountability in the Department that are grounded in the current authority of the Under Secretary for Management. As you know, unifying the Department's several components, many of which are very large in comparison with other Federal agencies, with the goal of building a "One DHS" culture continues to be one of our primary objectives. The Management Directorate, led by the Under Secretary for Management, is an essential part of this effort. (We would also note that the Department is conducting its statutorily required Quadrennial Homeland Security Review; this legislation would prejudice that review's assessment of Departmental management.) The Directorate provides the Departmental oversight and business policy structure throughout DHS, while ensuring that the several, very large operational components of the Department retain key responsibilities for mission support functions. These functions are necessary for accomplishment of our various important missions: protecting our nation from dangerous goods and people, protecting our nation's critical infrastructure, and preparing for, responding to, and recovering from disasters. Elevating the position of the Under Secretary for Management above all the DHS senior officials with operational responsibilities would endanger our progress by upsetting the carefully crafted framework currently in place at DHS and establishing instead a framework that could lead inexorably to divorcing management responsibilities from operational components.

We also object to the provisions in section 2(c)(6) of the bill that would establish a five-year statutory term for the proposed new Deputy Secretary for Management, restrict the President's authority to remove this constitutional officer, and require the President to report to Congress the reasons for removing the Deputy Secretary. Taken together, these provisions threaten to interfere significantly with the President's exercise of the executive power and constitutionally appointed duty to "take care that the laws be faithfully executed" under Article II of the Constitution. The provision would also preclude the reappointment by the President of a Deputy Secretary unless the Secretary of Homeland Security has made a "satisfactory determination" as to the Deputy Secretary's performance for the three preceding performance years. That restriction raises an additional concern under the Appointments Clause with respect to the President's appointment discretion. Particularly in cases where the performance determinations are made by a Secretary who was not appointed by the current President—such as where such determinations were made in the previous Administration—that Secretary could effectively prevent a current President from reappointing the Deputy Secretary, thereby unduly limiting the President's discretion in exercising the appointment power. For these reasons, we urge that section 2(c)(6) of the bill be deleted. Furthermore, if enacted before a new Under Secretary for Management is confirmed, subsection (e) 'Treatment of Incumbent' when read in conjunction with the five-year statutory term provision could cause confusion about the responsibilities of the current Under Secretary for Management, as well as the fate of any nominee for a new Under Secretary for Management.

The Office of Management and Budget advises that there is no objection to the submission of these views from the standpoint of the Administration's program.

Thank you for the opportunity to comment on this legislation, and I look forward to working with you to make our nation more secure and improve the effectiveness and efficiency of DHS's activities.

Respectfully,

A handwritten signature in black ink, appearing to read 'Chani Wiggins', with a stylized flourish extending to the right.

Chani Wiggins  
Assistant Secretary  
Office of Legislative Affairs

DEC 03 2009



**Homeland  
Security**

The Honorable George V. Voinovich  
Ranking Member  
Subcommittee on Oversight of Government  
Management, the Federal Workforce  
and the District of Columbia  
Committee on Homeland Security  
And Governmental Affairs  
United States Senate  
Washington, DC 20510

Dear Senator Voinovich:

We would like to express our views on S. 872, the "Effective Homeland Security Management Act of 2009," which was reported with amendments by the Senate Committee on Homeland Security and Governmental Affairs on October 26, 2009. This bill would elevate the Under Secretary for Management within the Department of Homeland Security (DHS) to a Deputy Secretary for Management and make the position the Department's third highest official subordinate only to the Secretary and the Deputy Secretary. The newly created Deputy Secretary for Management would serve a five year term and be subject to removal by the President for unsatisfactory performance after the reasons for removal are reported to Congress. Although we greatly appreciate Congress's interest in ensuring the successful management of the Department, we oppose this legislation for the reasons set forth below.

Creating a Deputy Secretary for Management in DHS would result in an undesirable organizational structure that would negatively alter existing lines of accountability in the Department that are grounded in the current authority of the Under Secretary for Management. As you know, unifying the Department's several components, many of which are very large in comparison with other Federal agencies, with the goal of building a "One DHS" culture continues to be one of our primary objectives. The Management Directorate, led by the Under Secretary for Management, is an essential part of this effort. (We would also note that the Department is conducting its statutorily required Quadrennial Homeland Security Review; this legislation would prejudice that review's assessment of Departmental management.) The Directorate provides the Departmental oversight and business policy structure throughout DHS, while ensuring that the several, very large operational components of the Department retain key responsibilities for mission support functions. These functions are necessary for accomplishment of our various important missions: protecting our nation from dangerous goods and people, protecting our nation's critical infrastructure, and preparing for, responding to, and recovering from disasters. Elevating the position of the Under Secretary for Management above all the DHS senior officials with operational responsibilities would endanger our progress by upsetting the carefully crafted framework currently in place at DHS and establishing instead a framework that could lead inexorably to divorcing management responsibilities from operational components.

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The Office of Management and Budget advises that there is no objection to the submission of these views from the standpoint of the Administration's program.

Thank you for the opportunity to comment on this legislation, and I look forward to working with you to make our nation more secure and improve the effectiveness and efficiency of DHS's activities.

Respectfully,

A handwritten signature in black ink, appearing to read 'Chani Wiggins', with a long horizontal line extending to the right.

Chani Wiggins  
Assistant Secretary  
Office of Legislative Affairs

DEC 03 2009



**Homeland  
Security**

The Honorable Harry Reid  
Majority Leader  
United States Senate  
Washington, DC 20510

Dear Senator Reid:

We would like to express our views on S. 872, the "Effective Homeland Security Management Act of 2009," which was reported with amendments by the Senate Committee on Homeland Security and Governmental Affairs on October 26, 2009. This bill would elevate the Under Secretary for Management within the Department of Homeland Security (DHS) to a Deputy Secretary for Management and make the position the Department's third highest official subordinate only to the Secretary and the Deputy Secretary. The newly created Deputy Secretary for Management would serve a five year term and be subject to removal by the President for unsatisfactory performance after the reasons for removal are reported to Congress. Although we greatly appreciate Congress's interest in ensuring the successful management of the Department, we oppose this legislation for the reasons set forth below.

Creating a Deputy Secretary for Management in DHS would result in an undesirable organizational structure that would negatively alter existing lines of accountability in the Department that are grounded in the current authority of the Under Secretary for Management. As you know, unifying the Department's several components, many of which are very large in comparison with other Federal agencies, with the goal of building a "One DHS" culture continues to be one of our primary objectives. The Management Directorate, led by the Under Secretary for Management, is an essential part of this effort. (We would also note that the Department is conducting its statutorily required Quadrennial Homeland Security Review; this legislation would prejudice that review's assessment of Departmental management.) The Directorate provides the Departmental oversight and business policy structure throughout DHS, while ensuring that the several, very large operational components of the Department retain key responsibilities for mission support functions. These functions are necessary for accomplishment of our various important missions: protecting our nation from dangerous goods and people, protecting our nation's critical infrastructure, and preparing for, responding to, and recovering from disasters. Elevating the position of the Under Secretary for Management above all the DHS senior officials with operational responsibilities would endanger our progress by upsetting the carefully crafted framework currently in place at DHS and establishing instead a framework that could lead inexorably to divorcing management responsibilities from operational components.

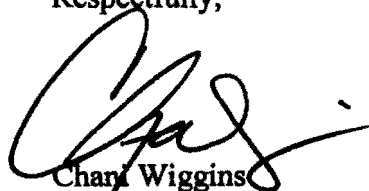


We also object to the provisions in section 2(c)(6) of the bill that would establish a five-year statutory term for the proposed new Deputy Secretary for Management, restrict the President's authority to remove this constitutional officer, and require the President to report to Congress the reasons for removing the Deputy Secretary. Taken together, these provisions threaten to interfere significantly with the President's exercise of the executive power and constitutionally appointed duty to "take care that the laws be faithfully executed" under Article II of the Constitution. The provision would also preclude the reappointment by the President of a Deputy Secretary unless the Secretary of Homeland Security has made a "satisfactory determination" as to the Deputy Secretary's performance for the three preceding performance years. That restriction raises an additional concern under the Appointments Clause with respect to the President's appointment discretion. Particularly in cases where the performance determinations are made by a Secretary who was not appointed by the current President—such as where such determinations were made in the previous Administration—that Secretary could effectively prevent a current President from reappointing the Deputy Secretary, thereby unduly limiting the President's discretion in exercising the appointment power. For these reasons, we urge that section 2(c)(6) of the bill be deleted. Furthermore, if enacted before a new Under Secretary for Management is confirmed, subsection (e) 'Treatment of Incumbent' when read in conjunction with the five-year statutory term provision could cause confusion about the responsibilities of the current Under Secretary for Management, as well as the fate of any nominee for a new Under Secretary for Management.

The Office of Management and Budget advises that there is no objection to the submission of these views from the standpoint of the Administration's program.

Thank you for the opportunity to comment on this legislation, and I look forward to working with you to make our nation more secure and improve the effectiveness and efficiency of DHS's activities.

Respectfully,

A handwritten signature in black ink, appearing to read 'Charly Wiggins', is written over the printed name.

Charly Wiggins  
Assistant Secretary  
Office of Legislative Affairs

**DEC 03 2009**



**Homeland  
Security**

**The Honorable Mitch McConnell  
Minority Leader  
United States Senate  
Washington, DC 20510**

**Dear Senator McConnell:**

We would like to express our views on S. 872, the "Effective Homeland Security Management Act of 2009," which was reported with amendments by the Senate Committee on Homeland Security and Governmental Affairs on October 26, 2009. This bill would elevate the Under Secretary for Management within the Department of Homeland Security (DHS) to a Deputy Secretary for Management and make the position the Department's third highest official subordinate only to the Secretary and the Deputy Secretary. The newly created Deputy Secretary for Management would serve a five year term and be subject to removal by the President for unsatisfactory performance after the reasons for removal are reported to Congress. Although we greatly appreciate Congress's interest in ensuring the successful management of the Department, we oppose this legislation for the reasons set forth below.


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Thank you for the opportunity to comment on this legislation, and I look forward to working with you to make our nation more secure and improve the effectiveness and efficiency of DHS's activities.

Respectfully,



Chani Wiggins  
Assistant Secretary  
Office of Legislative Affairs

DEC 03 2009



**Homeland  
Security**

The Honorable Joseph I. Lieberman  
Chairman  
Committee on Homeland Security  
and Governmental Affairs  
United States Senate  
Washington, DC 20510

Dear Mr. Chairman:

We would like to express our views on S. 872, the "Effective Homeland Security Management Act of 2009," which was reported with amendments by the Senate Committee on Homeland Security and Governmental Affairs on October 26, 2009. This bill would elevate the Under Secretary for Management within the Department of Homeland Security (DHS) to a Deputy Secretary for Management and make the position the Department's third highest official subordinate only to the Secretary and the Deputy Secretary. The newly created Deputy Secretary for Management would serve a five year term and be subject to removal by the President for unsatisfactory performance after the reasons for removal are reported to Congress. Although we greatly appreciate Congress's interest in ensuring the successful management of the Department, we oppose this legislation for the reasons set forth below.

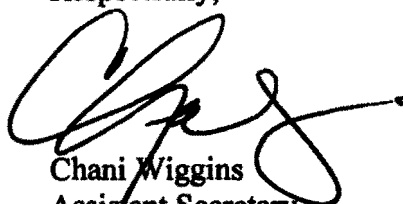
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The Office of Management and Budget advises that there is no objection to the submission of these views from the standpoint of the Administration's program.

Thank you for the opportunity to comment on this legislation, and I look forward to working with you to make our nation more secure and improve the effectiveness and efficiency of DHS's activities.

Respectfully,

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Chani Wiggins  
Assistant Secretary  
Office of Legislative Affairs

DEC 03 2009



**Homeland  
Security**

The Honorable Susan M. Collins  
Ranking Member  
Committee on Homeland Security  
and Governmental Affairs  
United States Senate  
Washington, DC 20510

Dear Senator Collins:

We would like to express our views on S. 872, the "Effective Homeland Security Management Act of 2009," which was reported with amendments by the Senate Committee on Homeland Security and Governmental Affairs on October 26, 2009. This bill would elevate the Under Secretary for Management within the Department of Homeland Security (DHS) to a Deputy Secretary for Management and make the position the Department's third highest official subordinate only to the Secretary and the Deputy Secretary. The newly created Deputy Secretary for Management would serve a five year term and be subject to removal by the President for unsatisfactory performance after the reasons for removal are reported to Congress. Although we greatly appreciate Congress's interest in ensuring the successful management of the Department, we oppose this legislation for the reasons set forth below.

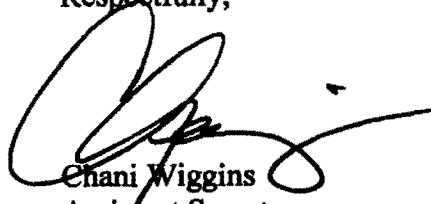
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The Office of Management and Budget advises that there is no objection to the submission of these views from the standpoint of the Administration's program.

Thank you for the opportunity to comment on this legislation, and I look forward to working with you to make our nation more secure and improve the effectiveness and efficiency of DHS's activities.

Respectfully,



Chani Wiggins  
Assistant Secretary  
Office of Legislative Affairs

NOV 17 2009



**Homeland  
Security**

Pursuant to the requirements of 31 U.S.C. Section 720, the Department of Homeland Security (DHS) is submitting this written statement on actions taken regarding the Government Accountability Office (GAO) recommendations contained in its report, GAO-09-30, DEPARTMENT OF HOMELAND SECURITY: A Strategic Approach Is Needed to Better Ensure the Acquisition Workforce Can Meet Mission Needs.

This letter provides a status update on efforts to implement the GAO recommendations contained in the report and is being provided to the following Members of Congress and the Director of OMB:

The Honorable Bennie G. Thompson  
Chairman, Committee on Homeland Security

The Honorable Peter King  
Ranking Member, Committee on Homeland Security

The Honorable Edolphus Towns  
Chairman, Committee on Oversight and Government Reform

The Honorable Darrell Issa  
Ranking Member, Committee on Oversight and Government Reform

The Honorable Joseph I. Lieberman  
Chairman, Committee on Homeland Security and Governmental Affairs

The Honorable Susan M. Collins  
Ranking Member, Committee on Homeland Security and Governmental Affairs

The Honorable Peter Orszag, Director  
Office of Management and Budget

I appreciate your interest in the Department of Homeland Security. If I may be of further assistance, please contact me at (202) 447-5890.

Sincerely,

A handwritten signature in black ink, appearing to read "Chani Wiggins".

Chani Wiggins  
Assistant Secretary  
Office of Legislative Affairs



Pursuant to the requirements of 31 U.S.C. Section 720, the Department of Homeland Security (DHS) is submitting this written statement on actions taken regarding the Government Accountability Office (GAO) recommendations contained in its report, GAO-09-30, DEPARTMENT OF HOMELAND SECURITY: A Strategic Approach Is Needed to Better Ensure the Acquisition Workforce Can Meet Mission Needs.

To improve DHS's ability to effectively manage its current initiatives and plan strategically for its acquisition workforce, GAO recommended that the Under Secretary for Management take five actions listed below. The Department, specifically the Office of the Chief Procurement Officer (OCPO), generally concurs with the recommendations. As an initial step to prepare the OCPO to develop a strategic approach and effectively apply these recommendations and take other steps to improve the DHS acquisition workforce, OCPO has hired personnel for three key positions (at the GS-15 level): a Professional Career Development Specialist for Logistics, a Professional Career Development Specialist for Business Cost Analysis, and Financial Management, and an Acquisition Workforce Training Lead. All newly hired personnel are subject matter experts in their respective career fields. Additionally, OCPO is in the process of finalizing the inaugural acquisition workforce human capital and succession plan as called for in the FY 2008 National Defense Authorization Act to help accurately determine the appropriate size of the acquisition workforce for DHS.

"To improve DHS's ability to effectively manage its current initiatives and plan strategically for its acquisition workforce, we recommend that the Under Secretary for Management implement the following five actions:

**Recommendation 1:** establish an interim working definition of the acquisition workforce that more accurately reflects the employees performing acquisition-related functions to guide current efforts, while continuing to formally add career fields to the definition;"

**Response provided to Draft Report:** The Department agrees with the recommendation and has established the following interim workforce definition: Positions within the Department that devote a minimum of 50% of time and responsibilities to performing acquisition duties. Currently, DHS has established two acquisition workforce career fields and one acquisition workforce assignment specific specialty: (1) contract specialists, (2) program managers, and (3) contracting officer's technical representatives. Further, the Department has initiated the expansion of the workforce to include Test and Evaluation, Logistics, Systems Engineering, and Program Cost Estimating.

**Current Status:** In process (partially complete). The workforce definition is complete. The Department will continue to formally add career fields to the definition as it expands into those fields. DHS's OCPO Acquisition Workforce Branch has a comprehensive milestone plan to expand to the following career fields: Test and Evaluation (completed 3<sup>rd</sup> quarter FY 2009), Logistics (3<sup>rd</sup> quarter FY 2010), and Business Cost Financial Management (4<sup>th</sup> quarter FY 2010). The Systems Engineering milestone plan is still under development.

**Recommendation 2:** “determine whether the department’s current initiatives related to recruiting and hiring are appropriate for acquisition-related career fields other than contract specialists and, if so, develop plans to implement the initiatives within the broader acquisition workforce;”

**Response provided to Draft Report:** The Department agrees with the recommendation. DHS will leverage successful execution of the Department-wide Acquisition Professional Career Program (APCP) to help build the broader acquisition workforce. Plans are to expand the program by 52 additional participants in FY 2009 in dual track (business and technical) by the fourth quarter of FY 2009, equating to a cumulative total of 100 participants. Furthermore, DHS will partner with the Federal Acquisition Institute (FAI) for support services to develop a plan and execution strategy to recruit mid-level career professionals seeking to transition to an acquisition career field.

**Current Status:** In Process (partially complete). The OCPO Acquisition Workforce Branch is on-target to expand the APCP in the fourth quarter of FY 2009 with 14 technical participants to yield a total of 100 program participants by the end of FY 2009.

DHS partnered with the FAI during the first quarter of FY 2009 for the development of a plan and execution strategy to recruit mid-level career professionals. FAI briefed the first milestone of the project at the Interagency Acquisition Career Managers Council on February 19, 2009, and it will provide its final report at the end of FY 2009. DHS participates in regular working groups led by FAI in the report preparation process.

**Recommendation 3:** “develop a comprehensive implementation plan to execute the existing DHS acquisition workforce initiatives. The implementation plan should include elements such as performance goals, time frames, implementation actions and related milestones, and resource requirements;”

**Response Provided to Draft Report:** We agree. The DHS Acquisition Workforce Branch in the OCPO has a comprehensive implementation strategy focusing on these current initiatives:

1. Further expand the Department definition of the Acquisition Workforce by developing the Test and Evaluation, Logistics, Systems Engineering, and Program Cost Analysis certification programs.

**Current Status:** In Process – Plan Established. The DHS OCPO Acquisition Workforce Branch has a comprehensive milestone plan to expand to the following career fields: Test and Evaluation (completed 3<sup>rd</sup> quarter FY 2009), Logistics (3<sup>rd</sup> quarter FY 2010), and Business Cost Financial Management (4<sup>th</sup> quarter FY 2010). The Systems Engineering milestone plan is still under development.

2. Develop and implement a process to code all acquisition billets to better identify positions within the Department that devote a minimum of 50% of time and responsibilities to performing acquisition duties.

**Current Status:** In Process: OCPO and the Office of the Chief Human Capital Officer (OCHCO) have implemented a joint effort to code acquisition billets for tracking within current personnel data systems.

3. Develop and execute a Department-wide Acquisition Workforce Human Capital and Succession Plan by January 28, 2009, in accordance with the FY 2008 National Defense Authorization Act.

**Current Status:** DHS Action Complete. The OCPO Acquisition Workforce Branch, in partnership with the OCHCO, submitted the DHS Acquisition Workforce Human Capital Plan and Succession Plan to the Office of Federal Procurement Policy on February 18, 2009.

4. Continue the successful execution of the Department-wide Acquisition Professional Career Program to help build the broader acquisition workforce. Expand the program by 52 additional participants in FY 2009 in dual tracks (business and technical) by the fourth quarter of FY 2009, equating to a cumulative total of 100 participants.

**Current Status:** In Process. This is a continuous process that is on-going. The OCPPO Acquisition Workforce Branch is on-target to expand the APCP in the fourth quarter of FY 2009 with 14 technical participants, to yield a total of 100 program participants by the end of FY 2009.

5. Continue the successful leveraging of the direct hire and reemployed annuitant hiring flexibilities to expedite hiring and to fill critical vacancies.

**Current Status:** DHS Action Complete. This is a continuous process that is on-going throughout FY 2009. Both authorities are being utilized in accordance with the statutes and policies set by the Office of Personnel Management and the OCHCO.

6. Grow the centralized hiring concept through assumption of the lead role in all Department-wide acquisition-related vacancy announcement postings.

**Current Status:** DHS Action Complete. DHS OCPO Acquisition Workforce Branch continues to post centralized vacancy announcements on the USAJobs site and creates a DHS central registry. The certificates for hire are forwarded to all components for access to hiring individual applicants. Additionally, OCPO has hired an acquisition workforce professional recruitment coordinator to lead and develop other professional recruitment initiatives.

7. Develop and execute a centralized acquisition workforce training program comprising of certification, targeted, and developmental training opportunities.

**Current Status:** DHS Action Complete. DHS OCPO Acquisition Workforce Branch has developed and is executing a Department-wide acquisition workforce training program that focuses on certification, targeted, and developmental training opportunities. For FY 2009 DHS offers 37 separate courses and has approximately 250 class offerings.

8. Publish a DHS course catalog and implement a central registration system to be deployed by the third quarter of FY 2009.

**Current Status:** DHS Action Complete. DHS OCPO Acquisition Workforce Branch has established and published an electronic course catalog. Additionally, a central registration system is on target to be deployed by the first quarter of FY 2010.

**Recommendation 4:** “direct CHCO and CPO to establish a joint process for coordinating future acquisition workforce planning efforts with the components for the purposes of informing Department-wide planning efforts;”

**Response to the Draft Report:** The Department agrees with the recommendation. The OCPO’s primary interface with Chief Human Capital Officer (CHCO) is close coordination on the development of the FY 2008 National Defense Authorization Act required acquisition workforce human capital plan and succession plan as well as on reporting requirements on the Department’s use of the Direct Hire and Reemployed Annuitants hiring authorities. In addition, OCPO and CHCO jointly work on a quarterly OPM requirement for a Contracting Specialist Competency Gap Analysis. OCPO staff partner with the OCHCO personnel to code all DHS acquisition billets in the National Finance Center personnel database. This effort will help identify the workforce. Further joint efforts with CHCO include the current leveraging of the successful work of the Department’s Acquisition Career Managers (ACM) Committee allowing CHCO membership, thus enabling increased committee focus on recruitment, hiring, training, certification, and retention initiatives. Component members regularly offer feedback and guidance on workforce initiatives. CHCO has reciprocated by allowing OCPO to participate with senior component human resources (HR) representatives in the Department’s HR Council.

**Current Status:** In Process. The OCPO Acquisition Workforce Branch in partnership with the OCHCO submitted the acquisition workforce human capital and succession document on February 18, 2009. All reporting requirements for use of the hiring flexibilities are on-going and are being coordinated successfully. DHS OCPO Acquisition Workforce Branch has developed an execution plan to code all acquisition billets. DHS OCPO Acquisition Workforce Branch includes OCHCO representatives on the invitation and distribution list of the DHS Acquisition Career Managers Committee meetings.

**Recommendation 5:** “improve the collection and maintenance of data on the acquisition workforce by:

- A. assessing what additional data on current acquisition workforce members, such as attrition data, would help inform workforce planning efforts and then developing a strategy to collect that information;”

**Response to the Draft Report:** We agree. OCPO has leveraged its work in revamping the quarterly Operational Status Reports to include additional data points for analysis. Current data collected focuses on the authorized, on-board, vacancy, and certification information, but plans call to expand the data collected to include attrition and retirement eligibility data as well.

**Current Status:** DHS Action Complete. OCPO Acquisition Workforce Branch in coordination with the Oversight Branch has completed the modification to data collection required in the quarterly report. Collection and analysis of data is a continuous and ongoing quarterly project.

- B. “expanding the collection of acquisition workforce data from the appropriate component point of contact to include all positions that DHS determines to be acquisition-related;”

**Response to the Draft Report:** We generally concur with this part of the recommendation. OCPO is working with CHCO to utilize an existing system to capture all workforce data. Data specific to Contracting Specialists, Program Managers, and Contracting Officer’s Technical Representative (COTRs) is currently captured via the quarterly Operational Status Reports. As additional acquisition career fields are formally defined, data on each defined career field will be specifically captured.

**Current Status:** In Process. The OCPO Acquisition Workforce Branch has developed an execution plan to code all acquisition billets using the National Finance Center Database in partnership with the OCHCO. In the interim the Quarterly Report information collected by the OCPO Oversight Division will continue to be used.

- C. “collecting data on the use of acquisition support contractors to inform the strategic acquisition workforce planning process;”

**Response to the Draft Report:** We generally concur. We are waiting for Department of Defense and/or the Office of Federal Procurement Policy methodology for effectively capturing this data.

**Current Status:** In Process. DHS is represented on the Office of Federal Procurement Policy working group that is addressing this issue on a government-wide basis.

- D. “conducting an assessment of options for creating systems to maintain comprehensive acquisition workforce data and selecting the appropriate system;”

**Response to the Draft Report:** The Department agrees with this part of the recommendation. OCPO is working with CHCO to utilize an existing system to capture all workforce data. Data specific to Contracting Specialists, Program Managers, and COTRs is currently captured via the

quarterly Operational Status Reports. As additional acquisition career fields are formally defined, data on each defined career field will be specifically captured.

**Current Status:** In Process. The OCPO Acquisition Workforce Branch has developed an execution plan to code all acquisition billets using the National Finance Center Database in partnership with OCHO.



# Other Transaction Authority

Fiscal Year 2009 Report to Congress  
December 31, 2009



Homeland  
Security

**JAN 12 2010**



**Homeland  
Security**

## **Foreward**

I am pleased to present the following report, "United States Department of Homeland Security Other Transaction Authority Report to Congress Fiscal Year 2009." The report has been compiled in accordance with Section 831(a)(1) of the Homeland Security Act of 2002 (Public Law 107-296), as amended.

The report identifies and profiles actions awarded under the authority granted to the Department of Homeland Security to enter into transactions other than procurement contracts, grants, and cooperative agreements for research and development projects during Fiscal Year 2009.

In October 2009, the Homeland Security Act was amended by Public Law 111-83 to provide for an extension of the Department's Other Transaction Authority until September 30, 2010.

Pursuant to Section 831(a)(1) of the Homeland Security Act of 2002, as amended, and congressional requirements this report is being provided to the following Members of Congress:

The Honorable Nancy Pelosi  
Speaker of the House  
U.S. House of Representatives

I appreciate your interest in the Department of Homeland Security. If I may be of further assistance, please contact me at (202) 447-5890.

Respectfully,

A handwritten signature in black ink, appearing to read "Chani Wiggins", with a long horizontal flourish extending to the right.

Chani Wiggins  
Assistant Secretary  
Office of Legislative Affairs



**JAN 12 2010**



**Homeland  
Security**

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Pursuant to Section 831(a)(1) of the Homeland Security Act of 2002, as amended, and congressional requirements this report is being provided to the following Members of Congress:

The Honorable Joseph R. Biden, Jr.  
President of the Senate  
United States Senate

I appreciate your interest in the Department of Homeland Security. If I may be of further assistance, please contact me at (202) 447-5890.

Respectfully,

A handwritten signature in black ink, appearing to read "Chani Wiggins", written over a circular stamp or seal.

Chani Wiggins  
Assistant Secretary  
Office of Legislative Affairs

JAN 12 2010



**Homeland  
Security**

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The Honorable Joseph I. Lieberman  
Chairman  
Senate Homeland Security and Governmental Affairs Committee

The Honorable Susan M. Collins  
Ranking Member  
Senate Homeland Security and Governmental Affairs Committee

The Honorable Daniel K. Inouye  
Chairman  
Senate Appropriations Committee

The Honorable Thad Cochran  
Ranking Member  
Senate Appropriations Committee

The Honorable John D. (Jay) Rockefeller IV  
Chairman  
Senate Commerce, Science, and Transportation Committee

The Honorable Kay Bailey Hutchison  
Ranking Member  
Senate Commerce, Science, and Transportation Committee

The Honorable Bennie G. Thompson  
Chairman  
House Homeland Security Committee

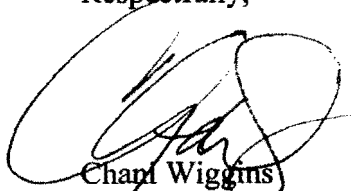
The Honorable Peter T. King  
Ranking Member  
House Homeland Security Committee

The Honorable David E. Price  
Chairman  
Subcommittee on Homeland Security  
House Appropriations Committee

The Honorable Harold Rogers  
Ranking Member  
Subcommittee on Homeland Security  
House Appropriations Committee

I appreciate your interest in the Department of Homeland Security. If I may be of further assistance, please contact me at (202) 447-5890.

Respectfully,

A handwritten signature in black ink, appearing to read 'Chant Wiggins', is written over a circular stamp or seal.

Chant Wiggins  
Assistant Secretary  
Office of Legislative Affairs

# Executive Summary

Section 831 of the Homeland Security Act of 2002 (Public Law [P.L.] 107-296), codified at Title 6, United States Code § 391, authorizes the Secretary to enter into transactions other than procurement contracts, grants, and cooperative agreements (i.e., “Other Transactions” [OT]) for prototype and research projects. Subsection 831(a)(1) requires the Secretary to submit an annual report to the Congress on Other Transaction agreements awarded in the preceding fiscal year. In October 2009, the Homeland Security Act of 2002 was amended by Public Law (P. L.) 111-83 to provide for an extension of the Department’s Other Transaction Authority until September 30, 2010.

The following report identifies and profiles actions awarded under the OT authority granted to DHS under P.L. 107-296, as amended, during Fiscal Year (FY) 2009. A synopsis of the OT actions profiled in the report is provided below.

In FY 2009:

- **Number of OT Agreements/Modifications Awarded Under Homeland Security Act of 2002: 14**
- **Total Dollar Value of these OT Agreements: \$39,838,131.19 (FY09 obligations)**
- **Number of OT Agreements Awarded Resulting from Broad Agency Announcements: 11 (79%)**
- **Number of OT Agreements Awarded Not Resulting from Broad Agency Announcements: 3 (21%)**
- **Agreements Awarded for Science and Technology-Related Prototype Projects/Programs Included:**

<b>Project/Program Name</b>	<b>Number of Associated OT Agreements/Modifications</b>
1) Counter Man-Portable Air Defense System (C-MANPADS)	2
2) Kentucky Critical Infrastructure Protection (CIP) Institute	1
3) Lightweight Autonomous Chemical Identification System (LACIS)	2
4) Autonomous Rapid Facility Chemical Agent Monitor (ARFCAM)	1

<b>Project/Program Name</b>	<b>Number of Associated OT Agreements/Modifications</b>
5) Bio-Agent Autonomous Networked Detector (BAND)	1
6) Instantaneous Bio-Aerosol Detector System (IBADS)	3
7) Resilient Electric Grid (REG)	1
8) Low Temperature Plasma Coupled To Portable Mass Spectrometry	1
9) Recovery Transformer (RecX)	1
10) Operational Testing and Evaluation of Solutions for Cargo Screening Initiatives, and Vulnerability and Mitigation Assessment for General Aviation Airports	1
<b>Total</b>	<b>14</b>

**OT Agreement Recipients:** Non-traditional partnerships/teaming arrangements that included participation of large and small businesses, start-up businesses, universities, Federal (defense and civilian) and state agencies.

The Department's OT authority provides a useful tool that enhances its ability to carry out basic, applied, and advanced research and development; advance the development, test and evaluation, and the deployment of critical homeland security technologies; and accelerate the prototyping and deployment of technologies to address homeland security vulnerabilities. Other transaction authority is being used to develop on numerous homeland security technologies which advance the development of the following programs:

- 1) **Counter Man-Portable Air Defense System (C-MANPADS):** Transfer of military missile warning and countermeasure technology to protect commercial aircraft from surface-to-air threats.
- 2) **Kentucky Critical Infrastructure Protection (CIP) Institute:** Community-based critical infrastructure protection against terrorist attacks and other emergency situations.
- 3) **Lightweight Autonomous Chemical Identification System (LACIS):** Hand-held chemical agent detectors for first responders.
- 4) **Autonomous Rapid Facility Chemical Agent Monitor (ARFCAM):** Autonomous chemical detectors for monitoring in public facilities.
- 5) **Bio-Agent Autonomous Networked Detector (BAND):** Detect-to-treat biological detector sensor systems.
- 6) **Instantaneous Bio-Aerosol Detector System (IBADS):** "Detect-to-protect" systems to detect biological agents.
- 7) **Resilient Electric Grid (REG):** Electric power infrastructure capable of withstanding severe natural disasters and terrorist attacks to avoid widespread system blackouts.
- 8) **Low Temperature Plasma Coupled To Portable Mass Spectrometry:** Investigation of a low-temperature plasma probe for mass spectrometry detection of chemicals on surfaces and in liquids.

**9) Recovery Transformer (RecX):** Delivery of extreme high voltage recovery transformers designed for transportability, ease of installation, and low maintenance.

**10) Operational Testing and Evaluation of Solutions for Cargo Screening Initiatives; and Vulnerability and Mitigation Assessment for General Aviation Airports:** a) Assessment and evaluation of new technologies for use in the air cargo industry to further enhance security in the air cargo. b) Research and organization of scientific and engineering resources to leverage existing resources and create technological tools to assess risk at general aviation airports in order to protect the homeland.

Only senior level contracting personnel who have satisfactorily completed mandatory OT training may award and administer OT agreements. In September 2008, the Homeland Security Act of 2002 was amended to provide for a one-year extension of Other Transaction Authority.

## Terminology

**Non-Traditional Government Contractor:** A business unit that has not, for a period of at least one year prior to the date of the Other Transaction (OT) agreement, entered into or performed on:

- Any contract that is subject to full coverage under the Cost Accounting Standards prescribed pursuant to Section 26 of the Office of Federal Procurement Policy (41 U.S.C. 422) and the regulations implementing that section; or
- Any other contract in excess of \$500,000 to carry out prototype projects or to perform basic, applied, or advanced research projects for a Federal agency that is subject to compliance with the Federal Acquisition Regulation (FAR).

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**ANNUAL REPORT TO CONGRESS**  
**AWARDS PURSUANT TO OTHER TRANSACTION AUTHORITY**  
**FISCAL YEAR 2009**

**OFFICE OF PROCUREMENT OPERATIONS**

**Agreement Number:** HSSCHQ-04-C-00342

**Type of Agreement:** Other Transaction (OT) for Prototype

**Title:** Counter-Man Portable Air Defense Systems (C-MANPADS)

**Awarding Office:** Department of Homeland Security (DHS) Office of Procurement Operations

**Awardee:** BAE Systems

**Effective Date:** 02 JAN 2006

**Estimated Completion Date or Expiration Date:** 28 FEB 2009

**U.S. Government Dollars:** \$627,839.00 (FY09 obligations)

**Non-Government Dollars:** \$0.00

**Dollars Returned to Government Account:** \$0.00

**Technical objective of this effort, including technology areas in which the project was conducted:**

The objective of the DHS C-MANPADS Phase III Program is to further reduce program risks and minimize the projected life cycle costs (LCC) in support of a potential full production and deployment decision, with an emphasis in Phase III to build and install additional C-MANPADS prototypes on operational aircraft in order to operate, maintain, and assess their performance in a commercial air carrier environment.

This effort is the third of three possible phases. Phase III has two defined sub-phases - Phase IIIA, and Phase IIIB. Phase IIIA provides for continued product improvements and preparation for the revenue service suitability evaluation; with Phase IIIB executing the suitability evaluation and other actions as delineated in the other transaction agreement (OTA).



**Extent of competition:**

This effort was awarded under a Broad Agency Announcement (BAA) where multiple awards were made.

**Rationale for using Other Transaction authority versus procurement contract, grant, or cooperative agreement:**

An OT for Prototype has been selected as the appropriate award instrument during the initial competition (Phase I) and continued to be deemed appropriate for Phases II – III based upon the need to incorporate non-traditional government contractors in the program.

By definition, BAE's commercial airline partners – American Airlines and ABX Air, Inc. - are non-traditional government contractors. BAE has verified that they meet the following associated criteria: a) a business unit that has not for a period of at least one year prior to the date of the OT Agreement entered into or performed on b) any contract that is subject to full coverage under the cost accounting standards (CAS) prescribed under Section 26 of the Office of Federal Procurement Policy Act (41 USC 422) and the regulations implementing that section; or c) any other contract greater than \$500,000.00 to carry out prototype projects or to perform basic, applied, or advanced research projects for a federal agency that is subject to compliance with the Federal Acquisition Regulation (FAR).

Additional rationale for use of an OT Agreement was the flexibility necessary in regards to negotiating intellectual property rights and the participation of non-traditional contractors on the team.

The selection of the OT agreement was to facilitate the participation of non-traditional entities (such as the airline and other commercial partners) involved in this effort. The OT Agreement also provided a degree of risk reduction for the contractor given the technical and policy unknowns associated with migrating military technology to the commercial environment.

The business partners were deemed crucial to a viable integrated team which collectively could successfully complete the program and manifest a proven capability to manage technical, schedule, and cost risk; while maintaining tight configuration control of the system.

**Extent to which the Other Transaction (OT) has contributed to a broadening of the technology and industrial base available for meeting Department of Homeland Security needs:**

The purpose of C-MANPADS program is to adapt, test, evaluate and transition military technology to protect commercial aircraft from surface-to-air threats and assist in broadening the technology and industrial base in meeting DHS security needs.

**Extent to which the Other Transaction (OT) has fostered, within the technology and industrial base, new relationships and practices that support the national security of the United States:**

The use of the OT agreement is strengthening the technology and industrial base by developing new relationships and practices that support the national security of the U. S. Under this effort, outcome is being accomplished through the transfer of current military missile warning and countermeasure technology to the commercial aircraft fleet.

**Results of any audits of the Other Transaction agreement:**

No audits were conducted on this particular OT agreement during the current reporting period.

- End -

ANNUAL REPORT TO CONGRESS  
AWARDS PURSUANT TO OTHER TRANSACTION AUTHORITY  
FISCAL YEAR 2009

OFFICE OF PROCUREMENT OPERATIONS

**Agreement Number:** HSSCHQ-04-C-00343

**Type of Agreement:** Other Transaction (OT) for Prototype

**Title:** Counter-Man Portable Air Defense System (C-MANPADS) Program

**Awarding Office:** Department of Homeland Security (DHS) Office of Procurement Operations

**Awardee:** Northrop Grumman Corporation (NGC)

**Effective Date:** 20 FEB 2004

**Estimated Completion Date or Expiration Date:** 30 SEP 2009

**U.S. Government Dollars:** \$149,199.00 (FY09 obligations)

**Non-Government Dollars:** \$0.00

**Dollars Returned to Government Account:** \$0.00

**Technical objective of this effort, including technology areas in which the project was conducted:**

The Counter-Man Portable Air Defense System (C-MANPADS) Program is a Systems Development and Demonstration (SD&D) program for anti-missile devices for commercial aircraft. Under the program, DHS will evaluate the feasibility of adapting current military aircraft anti-missile defense systems to commercial aircraft. DHS will investigate directed infrared countermeasures and other technologies to provide protection against man-portable air defense systems (MANPADS) – shoulder-fired missiles. The effort is aimed at leveraging existing military research and development programs, and re-engineering those capabilities so that they are consistent with airport operations and commercial air carrier maintenance, support, and logistics schemes.

The goals of the program are two-fold:

- Reduce the vulnerability of commercial aircraft to widely proliferated MANPADS; and
- Limit the economic losses (shorten recovery time) stemming from an airspace shutdown or reluctance of the flying public to resume flying following a MANPADS attack.

This effort is in the third phase of three possible phases.

**Extent of competition:**

This effort was awarded under a Broad Agency Announcement (BAA) where multiple awards were made.

**Rationale for using Other Transaction authority versus procurement contract, grant, or cooperative agreement:**

Northrop Grumman has teamed with FedEx Corporation (FedEx) and Northwest Airlines (Northwest), non-traditional Government contractors, to support this effort. FedEx and Northwest have significant domestic and international route system experience. Both FedEx and Northwest will provide their expertise in finalizing the design of the aircraft interface, modifying the aircraft, obtaining the Federal Aviation Administration (FAA) Supplemental Type Certificate (STC) and guiding the implementation of a sound maintenance philosophy consistent with commercial aviation needs.

The basis for the selection of an Other Transaction for Prototype as the award instrument was because of the need to incorporate non-traditional Government contractors into teams with traditional Government contractors who know certain technologies that can be modified to meet this Homeland Security requirement. The Counter-MANPADS Program is designed to take military technology and commercialize its manufacturing and operation/maintenance.

**Extent to which the Other Transaction (OT) has contributed to a broadening of the technology and industrial base available for meeting Department of Homeland Security needs:**

This effort was awarded under a Broad Agency Announcement (BAA) where multiple awards were made. The approach is to conduct down selects at the end of each phase. The use of the OT agreement has broadened the technology and industrial base by creating competition between Northrop Grumman and BAE Systems, Inc. teams. This has spurred the development of two very different and innovative solutions and growing them, through several technology readiness levels, to working prototypes.

**Extent to which the Other Transaction (OT) has fostered, within the technology and industrial base, new relationships and practices that support the national security of the United States:**

The use of the OT agreement has fostered partnerships between Northrop Grumman and non-traditional Government contractors such as Federal Express Corporation (FedEx). A non-traditional contractor/subcontractor is defined as a business entity that does not normally conduct business with the Federal Government.

**Results of any audits of the Other Transaction agreement:**

No audits were conducted on this particular OT agreement during the current reporting period.

- End -

## ANNUAL REPORT TO CONGRESS

### AWARDS PURSUANT TO OTHER TRANSACTION (OT) AUTHORITY FISCAL YEAR 2009

#### OFFICE OF PROCUREMENT OPERATIONS

**Agreement Number:** HSHQPA-04-9-0001

**Type of Agreement:** Other Transaction (OT) for Prototype

**Title:** Lightweight Autonomous Chemical Identification System (LACIS)

**Awarding Office:** Department of Homeland Security (DHS) Office of Procurement Operations

**Awardee:** Sensor Research and Development (SRD) Corporation

**Effective Date:** 24 SEP 2004

**Estimated Completion Date or Expiration Date:** 31 DEC 2009

**U.S. Government Dollars:** \$300,000.00 (FY09 obligations)

**Non-Government Dollars:** \$0.00

**Dollars Returned to Government Account:** \$0.00

**Technical objective of this effort, including technology areas in which the project was conducted:**

The Lightweight Autonomous Chemical Identification System (LACIS) project seeks to develop, field-test, and transition to commercial use a next-generation, hand-portable detection system for chemical vapor hazards such as Chemical Warfare Agents (CWAs) and high-priority Toxic Industrial Chemicals (TICs). The detection system will provide responders at an incident scene with an accurate, near real-time analysis of chemical hazards that may be present. In addition to providing situational awareness, the LACIS detector will meet the needs of first responders in determining what level of personal protective equipment (PPE) would be required at an incident scene. The project deliverable will be an affordable, networkable system of hand-held detectors that can be carried onto an incident scene. The project's major DHS customers are U.S. Customs and Border Protection (CBP), the National Protection and Programs Directorate (NPPD), Federal Emergency Management Agency (FEMA), and the U.S. Coast Guard. The primary users of the system are the cadre of first responders that include members of emergency communications systems, emergency medical services, fire and rescue services, hazmat teams, law enforcement agencies (Federal, State, and local), bomb squads, Special Weapons and Tactics (SWAT) teams,

and personnel representing the risk management industry, security operations, emergency and disaster management.

It is envisioned that local and State first responder agencies will purchase the detectors through Federal grants. The purchasing agency would retain ownership of the product and be responsible for maintenance and training.

This effort is in the third of three possible phases.

**Extent of competition:**

This effort was awarded under a Broad Agency Announcement (BAA) where multiple awards were made.

**Rationale for using Other Transaction authority versus procurement contract, grant, or cooperative agreement:**

A critical element of the program is to enable the use of teams that cut across organizational boundaries to achieve an optimal mix of technical talent and innovation. This effort includes two non-traditional contractors – Sanders RF Consulting and Electronic Interconnect. Sanders is instrumental in the planning of the design requirements for the detector's supporting system electronics. Their role is essential to the success of the project; while Electronic Interconnect will fabricate all circuit boards to support the testing and validation of new designs critical to ensure quality multi-layered circuit fabrication within the allotted timeframes.

It was determined that a procurement or financial assistance instrument would not be the appropriate type of award to effectively carry out a prototype project as successfully as the use of an OT Agreement. Utilization of an OT Agreement would significantly enhance the government's ability to access the technology and innovative solutions of contractors who have not traditionally done business with the government, and those who are reluctant to accept work that would require such companies to meet the stringent requirements (such as cost accounting standards and intellectual property) necessary to perform work under a FAR-based contract.

**Extent to which the Other Transaction (OT) has contributed to a broadening of the technology and industrial base available for meeting Department of Homeland Security needs:**

The use of the OT agreement allowed Sensor Research and Development (SRD) Corporation to push the state-of-the-art in arrays of semi-conducting metal oxides.

**Extent to which the Other Transaction (OT) has fostered, within the technology and industrial base, new relationships and practices that support the national security of the United States:**

The use of the OT agreement fostered the relationship between SRD Corporation and Sanders RF (Radio Frequency), Inc. and Electronic Interconnect Corporation, non-traditional

subcontractors. These companies were essential in dealing with the electronics challenges associated with developing SRD Corporation's sensor.

**Results of any audits of the Other Transaction agreement:**

No audits were conducted on this particular OT agreement during the current reporting period.

- End -



ANNUAL REPORT TO CONGRESS  
AWARDS PURSUANT TO OTHER TRANSACTION AUTHORITY  
FISCAL YEAR 2009

OFFICE OF PROCUREMENT OPERATIONS

**Agreement Number:** HSHQPA-05-9-0017

**Type of Agreement:** Other Transaction for Prototype

**Title:** Bio-Agent Autonomous Networked Detector (BAND)

**Awarding Office:** Department of Homeland Security (DHS) Office of Procurement Operations

**Awardee:** Microfluidic Systems, Inc.

**Effective Date:** 10 MAR 2004

**Estimated Completion Date or Expiration Date:** 31 JAN 2010

**U.S. Government Dollars:** -\$770,000.00 (FY09 de-obligations)

**Non-Government Dollars:** \$0.00

**Dollars Returned to Government Account:** \$0.00

**Technical objective of this effort, including technology areas in which the project was conducted:**

The current emphasis of the Bio-Agent Autonomous Networked Detector (BAND) project is on the development of the Gen 3 BioWatch detection system. This system will eliminate the need to physically transport samples to a laboratory for analysis by automatically identifying bio-agents at the detection site; be capable of continuous, 24-hour monitoring indoors or outdoors; and be more sensitive to lower concentrations of contaminants. The Gen 3 system includes development of Deployable Aerosol Collection Systems (DACS) and the Bio-Agent Autonomous Networked Detector (BAND). BAND is an affordable, fully automated, highly sensitive detection system that can detect and identify a broad range of agents without generating a gross number of false alarms. The DACS collection system maintains sample integrity for laboratory analyses. Together, these technologies will lower operational costs and provide a result six times faster (within 4 hours) than the current Gen 1 system. Additionally, development will incorporate the use of public health actionable assays, that when used to positively identify a biological agent, trigger an immediate public health response by the local public health sector. In FY 2006, the project completed laboratory prototypes of Gen 3 detection systems and initiated

independent testing at the Army's Edgewood Chemical and Biological Center. The test results will help determine which prototypes should then proceed to the next phase of development.

This is the third phase of three possible phases.

**Extent of competition:**

This effort was awarded under a Broad Agency Announcement (BAA) where multiple awards were made.

**Rationale for using Other Transaction authority versus procurement contract, grant, or cooperative agreement:**

The Department invests in programs offering the potential for revolutionary changes in technologies that promote homeland security, and accelerate the prototyping and deployment of technologies that reduce homeland vulnerabilities. A critical element of the program was to enable the use of teams that cut across organizational boundaries to achieve optimal mixes of technical talent and innovations. To facilitate this teaming, the award under this program was executed as an Other Transaction for Prototype under Section 831(a)(2) of the Homeland security Act of 2002. This flexible authority permits latitude in tailoring business, organizational, and technical relationships to achieve the program goals.

The ability to access non-traditional contractors (such as Tetracore) that have not typically done work with the government are hesitant to accept such work that would require them to meet stringent requirements (i.e., cost accounting standards and intellectual property) necessary to perform work under a FAR-based contract.

Use of the OT authority also encourages traditional contractors to conduct business in a more efficient manner and allow them to cost share with their IR&D expenses, thereby producing lower costs to the government.

**Extent to which the Other Transaction (OT) has contributed to a broadening of the technology and industrial base available for meeting Department of Homeland Security needs:**

The use of the OT agreement contributed to the broadening of the technology base because Microfluidic Systems, Inc. was able to team with several other firms that will be able to participate in further development of this technology.

**Extent to which the Other Transaction (OT) has fostered, within the technology and industrial base, new relationships and practices that support the national security of the United States:**

The use of the OT agreement has facilitated a partnership between the U.S. Army's Edgewood facility, Microfluidic Systems, Inc. and Tetracore, a non-traditional contractor. A non-traditional

contractor/subcontractor is defined as a business entity that does not normally conduct business with the Federal Government.

**Results of any audits of the Other Transaction agreement:**

No audits were conducted on this particular OT agreement during the current reporting period.

- End -

ANNUAL REPORT TO CONGRESS  
AWARDS PURSUANT TO OTHER TRANSACTION AUTHORITY  
FISCAL YEAR 2009

OFFICE OF PROCUREMENT OPERATIONS

**Agreement Number:** HSHQPA-05-9-0025

**Type of Agreement:** Other Transaction (OT) for Prototype

**Title:** Autonomous Rapid Facility Chemical Agent Monitor (ARFCAM)

**Awarding Office:** Department of Homeland Security (DHS) Office of Procurement Operations

**Awardee:** Hamilton Sundstrand

**Effective Date:** 01 MAR 2004

**Estimated Completion Date or Expiration Date:** 31 MAR 2011

**U.S. Government Dollars:** \$258,000.00 (FY09 obligations)

**Non-Government Dollars:** \$0.00

**Dollars Returned to Government Account:** \$0.00

**Technical objective of this effort, including technology areas in which the project was conducted:**

The Autonomous Rapid Facility Chemical Agent Monitor (ARFCAM) Project is being accomplished in phases. The purpose of the program is to develop a “detect-to-warn” system that is capable of monitoring facilities for the presence of Chemical Warfare Agents (CWAs) and high-priority Toxic Industrial Chemicals (TICs). The Hamilton Sundstrand system will have the capability to continuously and autonomously monitor and detect dangerous levels of these chemicals. The system’s response time will provide sufficient warning to engage effective response measures that include actively managing air flows, evacuating facilities and notifying responders. Phase I of this program focused on developing a preliminary design, which was used to fabricate prototypes during Phase II. The prototypes developed under Phase II were then subjected to independent test and evaluation. In Phase III, the contractors will focus on design and development of test bed prototypes, as well as field prototypes that will ultimately undergo operational test and evaluation.

This effort is in the third of three phases.

**Extent of competition:**

This effort was awarded under a Broad Agency Announcement (BAA) where multiple awards were made.

**Rationale for using Other Transaction authority versus procurement contract, grant, or cooperative agreement:**

An OT Agreement was selected for the award to Hamilton Sundstrand with a teaming partner who is a non-traditional contractor who does not normally conduct business with the federal government. Utilization of an OT Agreement would significantly enhance the government's ability to access the technology of non-traditional contractors/subcontractors (such as Sionex Corporation) who have not traditionally done business with the government; and who are reluctant to accept work that would require them to meet the stringent requirements (such as cost accounting standards, commercialization rights, export control restrictions, and intellectual property) necessary to perform work under a FAR-based contract. Their provision of monitors for identifying chemical warfare agents and low manufacturing costs that can be deployed on a much wider scale are key to the success of the program.

**Extent to which the Other Transaction (OT) has contributed to a broadening of the technology and industrial base available for meeting Department of Homeland Security needs:**

The use of the OT agreement has sped the development of vital sensor technology and paved the way for Hamilton Sundstrand to become a supplier of next generation sensing technologies.

**Extent to which the Other Transaction (OT) has fostered, within the technology and industrial base, new relationships and practices that support the national security of the United States:**

The use of the OT agreement has facilitated a partnership between Hamilton Sundstrand and Sionex Corporation of Bedford, Massachusetts. Sionex Corporation is a high technology company focused on commercializing breakthrough chemical and biological sensor chips and systems.

**Results of any audits of the Other Transaction agreement:**

No audits were conducted on this particular OT agreement during the current reporting period.

- End -

## ANNUAL REPORT TO CONGRESS

### AWARDS PURSUANT TO OTHER TRANSACTION AUTHORITY FISCAL YEAR 2009 OFFICE OF PROCUREMENT OPERATIONS

**Agreement Number:** HSHQPA-05-9-0031

**Type of Agreement:** Other Transaction (OT) for Prototype

**Title:** Lightweight Autonomous Chemical Identification System (LACIS)

**Awarding Office:** Department of Homeland Security (DHS) Office of Procurement Operations

**Awardee:** Smiths Detection – Edgewood Inc.

**Effective Date:** 01 MAR 2004

**Estimated Completion Date or Expiration Date:** 01 JAN 2010

**U.S. Government Dollars:** \$248,467.00 (FY09 obligations)

**Non-Government Dollars:** \$0.00

**Dollars Returned to Government Account:** \$0.00

**Technical objective of this effort, including technology areas in which the project was conducted:**

The Lightweight Autonomous Chemical Identification System (LACIS) project seeks to develop, field-test, and transition to commercial use a next-generation, hand-portable detection system for chemical vapor hazards such as Chemical Warfare Agents (CWAs) and high-priority Toxic Industrial Chemicals (TICs). The detection system will provide responders at an incident scene with an accurate, near real-time analysis of chemical hazards that may be present. In addition to providing situational awareness, the LACIS detector will meet the needs of first responders in determining what level of personal protective equipment (PPE) would be required at an incident scene. The project deliverable will be an affordable, networkable system of hand-held detectors that can be carried onto an incident scene in the presence of common interferents. The project's major DHS customers are U.S. Customs and Border Protection (CBP), the National Protection and Programs Directorate (NPPD), Federal Emergency Management Agency (FEMA), and the U.S. Coast Guard. The primary users of the system are the cadre of responders, which includes members of emergency communications systems, emergency medical services, fire and rescue services, hazmat teams, law enforcement agencies (Federal, State, and local), bomb squads, Special Weapons and Tactics (SWAT) teams, and personnel representing the risk management industry, security operations, emergency and disaster management.

It is envisioned that local and State first responder agencies will purchase the detectors through Federal grants. The purchasing agency would retain ownership of the product and be responsible for maintenance and training.

This effort is in the third phase of three possible phases.

**Extent of competition:**

This effort was awarded under a Broad Agency Announcement (BAA) where multiple awards were made.

**Rationale for using Other Transaction authority versus procurement contract, grant, or cooperative agreement:**

The Department invests in programs offering the potential for revolutionary changes in technologies that promote homeland security, and accelerate the prototyping and deployment of technologies that reduce homeland vulnerabilities through the use of innovative approaches. A critical element of the program was to enable the use of teams that cut across organizational boundaries to achieve optimal mixes of technical talent and innovations. To facilitate this teaming, the award under this program was executed as an Other Transaction for Prototype under Section 831(a)(2) of the Homeland Security Act of 2002. This flexible authority permits latitude in tailoring business, organizational, and technical relationships to achieve the program goals.

**Extent to which the Other Transaction (OT) has contributed to a broadening of the technology and industrial base available for meeting Department of Homeland Security needs:**

The use of the OT agreement has broadened the industrial base by developing new capabilities and competitors for the sensor technology of the future.

**Extent to which the Other Transaction (OT) has fostered, within the technology and industrial base, new relationships and practices that support the national security of the United States:**

The use of the OT agreement has facilitated the partnership of Smiths Detection and RTI, International. RTI is a non-traditional contractor, which is defined as a business entity that does not normally conduct business with the Federal Government. RTI provided expertise regarding the effective use of sensor technologies.

**Results of any audits of the Other Transaction agreement:**

No audits were conducted on this particular OT agreement during the current reporting period.

- End -

ANNUAL REPORT TO CONGRESS  
AWARDS PURSUANT TO OTHER TRANSACTION AUTHORITY  
FISCAL YEAR 2009

OFFICE OF PROCUREMENT OPERATIONS

**Agreement Number:** HSHQPA-05-9-0039

**Type of Agreement:** Other Transaction (OT) for Prototype

**Title:** Instantaneous Bio-Aerosol Detector System (IBADS)

**Awarding Office:** Department of Homeland Security (DHS) Office of Procurement Operations

**Awardee:** Menon & Associates, Inc.

**Effective Date:** 18 JUN 2005

**Estimated Completion Date or Expiration Date:** 21 MAY 2011

**U.S. Government Dollars:** \$775,000.00 (FY09 obligations)

**Non-Government Dollars:** \$0.00

**Dollars Returned to Government Account:** \$0.00

**Technical objective of this effort, including technology areas in which the project was conducted:**

The Instantaneous Bio-Aerosol Detector System (IBADS) project will develop biological aerosol detection and sensor systems for monitoring the Nation's critical infrastructure (e.g., government buildings, airports, subways, office buildings, shopping malls, sports arenas, hotels and hospitals). These "detect-to-protect" systems detect biological agents within minutes (acting as reliable smoke alarms) to protect critical infrastructure facilities and their occupants. Due to the vast array of building and facility designs, no single system solution will fit all applications. To support operational objectives, several bio-aerosol triggers and confirmation sensors will be developed to meet the broadest possible range of user requirements.

This effort is in the third phase of three possible phases.



**Extent of competition:**

This effort was awarded under a Broad Agency Announcement (BAA) where multiple awards were made.

**Rationale for using Other Transaction authority versus procurement contract, grant, or cooperative agreement:**

The Department invests in programs offering the potential for revolutionary changes in technologies that promote homeland security, and accelerates the prototypes and deployment of technologies that reduce homeland vulnerabilities. The Broad Agency Announcement (BAA), under which this award was made, identified three high priority requirements (i.e., technical topic areas) due to the need for the awardee to provide innovative solutions to the problems identified. For award to Menon, it was determined that a procurement or financial assistance awards would not be the most effective instrument to carry out this prototype project as successfully as the use of an Other Transaction Agreement. This non-traditional contractor, who had not typically done business with the government, was somewhat reluctant to accept work that would require them to meet stringent requirements (such as cost accounting standards and intellectual property) necessary to perform work under a Federal Acquisition Regulation (FAR)-based award. Since Menon possesses critical highly-rated technology, the award of an Other Transaction (OT) Agreement was selected as the vehicle that would best access this technology.

The utilization of an OT instrument may also allow DHS to obtain benefits resulting from additional research that will enable the company to use their independent research and development (IR&D) money as a cost share. DHS may see other benefits that result from obtaining data deliverables with unlimited rights.

**Extent to which the Other Transaction (OT) has contributed to a broadening of the technology and industrial base available for meeting Department of Homeland Security needs:**

The use of the OT agreement has facilitated the participation of Menon & Associates, Inc., a non-traditional Government contractor, in the effort to secure the homeland. Menon & Associates brought significant expertise to bear, as well as a novel approach to creating a mobile environmental threat technology.

**Extent to which the Other Transaction (OT) has fostered, within the technology and industrial base, new relationships and practices that support the national security of the United States:**

The use of the OT agreement fostered the relationship between Menon & Associates, Inc. and the U.S. Army's Edgewood Chemical Biological Center. Menon & Associates partnered with the Army in evaluating the approaches that were considered and used for this research.

**Results of any audits of the Other Transaction agreement:**

No audits were conducted on this particular OT agreement during the current reporting period.

- End -

## ANNUAL REPORT TO CONGRESS

### AWARDS PURSUANT TO OTHER TRANSACTION AUTHORITY FISCAL YEAR 2009

#### OFFICE OF PROCUREMENT OPERATIONS

**Agreement Number:** HSHQPA-05-9-0042

**Type of Agreement:** Other Transaction for Prototype

**Title:** Instantaneous Bio-Aerosol Detector System (IBADS)

**Awarding Office:** Department of Homeland Security (DHS) Office of Procurement Operations

**Awardee:** GHC Technologies Inc.

**Effective Date:** 10 AUG 2005

**Estimated Completion Date or Expiration Date:** 17 OCT 2010

**U.S. Government Dollars:** \$2,042,000.00 (FY09 obligations)

**Non-Government Dollars:** \$0.00

**Dollars Returned to Government:** \$0.00

**Technical objective of this effort, including technology areas in which the project was conducted:**

The Instantaneous Bio-Aerosol Detector System (IBADS) project will develop biological aerosol detection and sensor systems for monitoring the Nation's critical infrastructure (e.g., government buildings, airports, subways, office buildings, shopping malls, sports arenas, hotels and hospitals). These "detect-to-protect" systems detect biological agents within minutes (acting as reliable smoke alarms) to protect critical infrastructure facilities and their occupants. Due to the vast array of building and facility designs, no single system solution will fit all applications. To support operational objectives, several bio-aerosol triggers and confirmation sensors will be developed to meet the broadest possible range of user requirements.

This effort is in the third of three possible phases.

**Extent of competition:**

This effort was awarded under a Broad Agency Announcement (BAA) where multiple awards were made.

**Rationale for using Other Transaction authority versus procurement contract, grant, or cooperative agreement:**

The Department invests in programs offering the potential for revolutionary changes in technologies that promote homeland security and accelerates the prototypes and deployment of technologies that reduce homeland vulnerabilities. Due to the need for these innovative solutions to the problems identified in the BAA, it was determined that a procurement or financial assistance instrument was not the appropriate type of award to enable the DHS to effectively carry out this prototype project as successfully as the use of an OT Agreement. GHC is a non-traditional contractor who has not normally performed work for the government, and was reluctant to accept an effort that would require them to meet certain FAR requirements (cost accounting standards and intellectual property) under a procurement award. GHC possesses the highly-rated technology required for the success of this program. Therefore, the award of an OT Agreement provides DHS with an appropriate vehicle to access such technology.

**Extent to which the Other Transaction (OT) has contributed to a broadening of the technology and industrial base available for meeting Department of Homeland Security needs:**

The use of the OT agreement has the likely outcome of broadening the industrial base and creating a new Government contractor. The prime awardee is GHC Technologies Inc., a non-traditional Government contractor. A non-traditional contractor/subcontractor is defined as a business entity that does not normally conduct business with the Federal Government. GHC was selected due to their critical and highly rated technology which was accessible quickly to DHS only through the use of an OT agreement.

**Extent to which the (OT) Other Transaction has fostered, within the technology and industrial base, new relationships and practices that support the national security of the United States:**

The use of the OT agreement has facilitated the partnership between the Department of Homeland Security and GHC Technologies, Inc., a non-traditional Government contractor. GHC's commercially available BioLert UV fluorescence particle sensor (Hach Ultra Analytics), which already meets trigger sensitivity goals, will serve as the initial platform for trigger development, greatly speeding development of the joint trigger/confirmer sensor pair meeting IBADS program performance goals of a low initial cost and low operating costs. GHC's novel approach will provide rapid, sensitive, specific detection of biological agent threats without the need for time-consuming DNA amplification or conversion of RNA to DNA. GHC's proposed methods have been demonstrated in a laboratory to achieve specific biological agent threat detection in less than two minutes. The use of the Other Transaction agreement has allowed the

Government to move forward with the IBADS program with a known commercial contractor acknowledged as an expert in this field.

**Results of any audits of the Other Transaction agreement:**

No audits were conducted on this particular OT agreement during the current reporting period.

- End -

## ANNUAL REPORT TO CONGRESS

### AWARDS PURSUANT TO OTHER TRANSACTION AUTHORITY FISCAL YEAR 2009

#### OFFICE OF PROCUREMENT OPERATIONS

**Agreement Number:** HSHQPA-05-9-0046

**Type of Agreement:** Other Transaction (OT) for Prototype

**Title:** Instantaneous Bio-Aerosol Detector System (IBADS)

**Awarding Office:** Department of Homeland Security (DHS) Office of Procurement Operations

**Awardee:** S3I, LLC

**Effective Date:** 19 AUG 2005

**Estimated Completion Date or Expiration Date:** 30 APR 2011

**U.S. Government Dollars:** \$684,114.00 (FY09 obligations)

**Non-Government Dollars:** \$0.00

**Dollars Returned to Government Account:** \$0.00

**Technical objective of this effort, including technology areas in which the project was conducted:**

The Instantaneous Bio-Aerosol Detector System (IBADS) project will develop biological aerosol detection and sensor systems for monitoring the Nation's critical infrastructure (e.g., government buildings, airports, subways, office buildings, shopping malls, sports arenas, hotels and hospitals). These "detect-to-protect" systems detect biological agents within minutes (acting as reliable smoke alarms) to protect critical infrastructure facilities and their occupants. Due to the vast array of building and facility designs, no single system solution will fit all applications. To support operational objectives, several bio-aerosol triggers and confirmation sensors will be developed to meet the broadest possible range of user requirements.

This effort is in the third phase of three possible phases.

**Extent of competition:**

This effort was awarded under a Broad Agency Announcement (BAA) where multiple awards were made.

**Rationale for using Other Transaction authority versus procurement contract, grant, or cooperative agreement:**

Upon review of the S3I proposal, it was determined that a procurement or financial assistance instrument would not be able to effectively carry out this prototype project as successfully as the use of an OT Agreement. As a non-traditional contractor, S3I has not normally conducted business with the government, and was somewhat reluctant to accept work that would require them to meet the stringent requirements (cost accounting standards and intellectual property) necessary to perform work under a FAR-based contract. S3I possesses highly-rated critical technology. Therefore, the award of an OT Agreement would provide DHS with the type of vehicle necessary to access that technology. A critical element of the IBADS Program enables the use of teams that cut across organizational boundaries to achieve optimal mixes of technical talent and innovation. The use of an OT for Prototypes provides the required latitude in tailoring business, organizational, and technical relationships needed to achieve program goals and allows the flexibility to use business and technical practices, as required. The deliverables provided under this OT Agreement meet the meaning under Section 831 of the Homeland Security Act of 2002. This OT for Prototype is being used to carry out prototype projects directly relevant to systems proposed to be acquired or developed by DHS.

**Extent to which the Other Transaction (OT) has contributed to a broadening of the technology and industrial base available for meeting Department of Homeland Security needs:**

The use of the OT agreement has contributed to the broadening of the technology and industrial base by helping to create a new participant in homeland security technology development.

**Extent to which the Other Transaction (OT) has fostered, within the technology and industrial base, new relationships and practices that support the national security of the United States:**

The use of the OT agreement has facilitated the partnership between the Department of Homeland Security and S3I, LLC, a non-traditional Government contractor. S3I's proposed effort is an enhancement to an existing bioaerosol trigger, the S3I-700, and the work to be performed involves the integration of the S3I-700 with an airborne taggant applicator. The proposed integration is expected to deliver a trigger response in less than one minute with a false-alarm rate of less than once per year with a 98 percent confidence level at a biological agent concentration of 1000 CFU/liter of air. The system is expected to detect all classes of agents: spore, cellular, viral and protein toxin. Additionally, the sensor is expected to come close to the desired costs characteristics approaching an acquisition cost target of \$15,000 in moderate production quantities with expected low annual maintenance costs. The use of the Other Transaction agreement has allowed the Government to move forward with the IBADS program with a known commercial contractor acknowledged as an expert in this field.

**Results of any audits of the Other Transaction agreement:**

No audits were conducted on this particular OT agreement during the current reporting period.

- End -



ANNUAL REPORT TO CONGRESS  
AWARDS PURSUANT TO OTHER TRANSACTION AUTHORITY  
FISCAL YEAR 2009

OFFICE OF PROCUREMENT OPERATIONS

**Agreement Number:** HSHQDC-07-3-00005

**Type of Agreement:** Other Transaction (OT) for Research

**Title:** Critical Infrastructure Protection (CIP)

**Awarding Office:** Department of Homeland Security (DHS) Office of Procurement Operations

**Awardee:** National Institute for Hometown Security, Inc. (NIHS)

**Effective Date:** 07 JUN 2007

**Estimated Completion Date or Expiration Date:** 30 JUN 2011

**U.S. Government Dollars:** \$20,163,000.00 (FY09 obligations)

**Non-Government Dollars:** \$0.00

**Dollars Returned to Government Account:** \$0.00

**Technical objective of this effort, including technology areas in which the project was conducted:**

The Kentucky Critical Infrastructure (KCI) Protection Institute Program under CIP is to provide program management support in the areas of research, development and application of community-based critical infrastructure protection technology. Under this effort, the National Institute for Hometown Security (NIHS), a Kentucky non-profit corporation is an enterprise which focuses on research and solutions, research requirements definition, technology transfer and commercialization, and outreach activities.

This agreement consists of a thirty-six month base period with three option years.

**Extent of competition:**

This effort was awarded as a result of a sole-source solicitation.

**Rationale for using Other Transaction authority versus procurement contract, grant, or cooperative agreement:**

NIHS is a non-traditional government contractor whose integrated enterprise focuses on research and development, research requirements definition, technology transfer and commercialization, and outreach.

In the Acquisition Strategy, the Program Manager and Other Transaction Contracting Officer (OTCO) requested approval to use the Other Transaction authority for research as the chosen acquisition approach which would most effectively meet the program objectives.

Funds were designated for activities consistent with OT for research objectives such as advancing the current state of community-based critical infrastructure protection (CIP) research and development (R&D), demonstrating new technologies, developing standards, transferring technology, and encouraging data exchange and collaboration to assist communities in meeting the challenges associated with protecting their local assets. The program was not designed principally to procure goods and services for the direct benefit of the government nor public; or to provide assistance to a designated class of recipients authorized by statute to meet recognized needs.

The OT for Research provides the necessary flexibility to overcome non-profit/non-traditional performers' concerns over acquisition statutes and regulations, intellectual property, licensing rights, audits, and foreign access to technology. Few, if any, of the organizations vital to the success of the program (i.e., non-profit institutes and academic consortium members) have ever held a federal contract subject to full coverage under the cost accounting standards. Additionally, they do not currently have government-approved accounting systems to comply with government cost practices and principles.

The organizations vital to the success of the program have agreed to join together to perform research as a consortium for the explicit purpose of furthering community-based CIP R&D. A contract or financial assistance arrangement would not be appropriate for consortia relationships with multiple parties.

The program was flexible in modifying initial goals and objectives to take advantage of commercial technology investment and commercialization opportunities. Innovative technology was to occur without severe program disruption. Selection of an OT for Research allowed the opportunity to lay out the technical objectives and shared vision for the program, and vested the team with the responsibility to conduct their portion of the effort. This decision supports sufficient flexibility in teaming with industry partners, and a willingness to accommodate their interests during program execution.

Co-investing in new applications of technology was a fundamental element of the program. An OT for Research was chosen to provide industry partners with the ability to share the burden of financial and technical risk during the developmental stages in return for commercialization opportunities, and supports the more-collaborative teaming dynamics (as opposed to traditional prime-sub relationships) that are necessary to strengthen commercialization opportunities.

**Extent to which the Other Transaction (OT) has contributed to a broadening of the technology and industrial base available for meeting Department of Homeland Security needs:**

The use of the OT agreement contributes to broadening the technology and industrial base by facilitating the participation of NIHS (a non-traditional Government contractor) and other collaborating partners including academia, the private sector and DHS.

**Extent to which the Other Transaction (OT) has fostered, within the technology and industrial base, new relationships and practices that support the national security of the United States:**

NIHS is providing services that will increase the likelihood of success in the conduct of cooperative or joint activities with small, large, for-profit, and/or non-profit entities. The KCI Program addresses community-based CIP priorities and develops homeland security technologies that have broad application and can be transitioned for commercialization.

**Results of any audits of the Other Transaction agreement:**

No audits were conducted on this particular OT agreement during the current reporting period.

- End -

ANNUAL REPORT TO CONGRESS  
AWARDS PURSUANT TO OTHER TRANSACTION AUTHORITY  
FISCAL YEAR 2009

OFFICE OF PROCUREMENT OPERATIONS

**Agreement Number:** HSHQDC-08-9-00001

**Type of Agreement:** Other Transaction (OT) for Prototype

**Title:** Resilient Electric Grid (REG)

**Awarding Office:** Department of Homeland Security (DHS) Office of Procurement Operations

**Awardee:** American Superconductor Corporation (AMSC)

**Effective Date:** 23 JAN 2008

**Estimated Completion Date or Expiration Date:** 30 SEP 2010

**U.S. Government Dollars:** \$5,580,000.00 (FY09 obligations)

**Non-Government Dollars:** \$0.00

**Dollars Returned to Government Account:** \$0.00

**Technical objective of this effort, including technology areas in which the project was conducted:**

Under the Homeland Innovative Prototypical Solution (HIPS) Program, the awardee provides REG planning and demonstration support. In conjunction with Consolidated Edison and Southwire Company, American Superconductor will focus on developing, designing, and deploying the world's first fault current limiting high temperature superconductor (HTS) electric cable system. This effort will significantly enhance the level of electric power security in the major cities of the United States by using the inherent properties of the new cable to stop power surges and prevent large area blackouts. In addition to the security aspects, this technology could be widely used to rebuild the Nation's failing electric power grid infrastructure due to increased demand, existing high system fault current levels (FCL), and local resistance issues.

This agreement consists of two phases: Phase 1 – Development of Superconductor Cable with Integrated FCL and Development of Stand-alone FCL; and Phase 2 – Installation at Proposed Substation.

**Extent of competition:**

This effort was awarded as a result of an unsolicited proposal.

**Rationale for using Other Transaction authority versus procurement contract, grant, or cooperative agreement:**

American Superconductor possesses leading world-wide energy technology. Its teaming partners (Consolidated Edison and Southwire Company) under this effort are defined non-traditional government contractors whose unique services and integrated solution focuses on research and development, technology transfer and commercialization. Their unique forward-thinking approach provides innovative superconductor business practices in meeting the growing need for capacity, reliability, and quality in the power delivery networks or grids. These combined skills are vital in meeting the success of the program, increasing demands and usage rates, and public safety and security of the nation. The program was flexible in modifying initial goals and objectives to take advantage of commercial technology investments and commercialization opportunities. This decision supports sufficient flexibility with its industry teaming partners, and a willingness to accommodate their interests during program execution.

An OT Agreement was chosen to provide industry partners with the ability to share the burden of financial and technical risk during the developmental stages in return for commercialization opportunities, and supports the more-collaborative teaming dynamics (as opposed to traditional prime-subcontractor relationships) that are necessary to strengthen such commercialization opportunities.

This OT Agreement provides the necessary flexibility to overcome non-traditional performers' concerns over acquisition statutes and regulations, intellectual property, licensing rights, audits, and foreign access to technology. Additionally, the teaming partners do not currently have government-approved accounting systems to comply with the required contract principles and procedures.

A contract or financial assistance arrangement would not be appropriate for consortia relationships with multiple parties (including the U. S. Department of Energy's Oak Ridge National Laboratory). Therefore, the Other Transaction authority was used as the chosen acquisition strategy which would most effectively meet the required program objectives.

**Extent to which the Other Transaction (OT) has contributed to a broadening of the technology and industrial base available for meeting Department of Homeland Security needs:**

The use of an OT agreement contributes to broadening the technology and industrial base by facilitating the participation of American Superconductor Corp. (a non-traditional Government contractor) and other teaming partners including the DHS and Oak Ridge National Laboratory.

**Extent to which the Other Transaction (OT) has fostered, within the technology and industrial base, new relationships and practices that support the national security of the United States:**

American Superconductor is providing services that will protect the Nation's critical electric power infrastructure that needs to be capable of withstanding both severe natural disasters and terrorist attacks, and associated widespread system blackouts (especially large, densely-populated urban areas that are critical centers of finance, trade, and government). Significant disruptions to the electric power grid can severely impact regional and national economy and security.

**Results of any audits of the Other Transaction agreement:**

No audits were conducted on this particular OT agreement during the current reporting period.

- End -

ANNUAL REPORT TO CONGRESS  
AWARDS PURSUANT TO OTHER TRANSACTION AUTHORITY  
FISCAL YEAR 2009  
OFFICE OF PROCUREMENT OPERATIONS

**Agreement Number:** HSHQDC-09-9-00008

**Type of Agreement:** Other Transaction (OT) for Prototype

**Title:** Low Temperature Plasma Coupled To Portable Mass Spectrometry

**Awarding Office:** Department of Homeland Security (DHS) Office of Procurement Operations

**Awardee:** Purdue University

**Effective Date:** 29 DEC 2008

**Estimated Completion Date or Expiration Date:** 28 DEC 2012

**U.S. Government Dollars:** \$1,133,119.00 (FY09 obligations)

**Non-Government Dollars:** \$0.00

**Dollars Returned to Government Account:** \$0.00

**Technical objective of this effort, including technology areas in which the project was conducted:**

Under this effort, Purdue will resolve limitations for portable, reliable, and near-instantaneous mass spectrometry (MS) chemical analysis of air, water, and solid materials through research and development of a low-temperature plasma (LTP) ambient ionization approach for MS detection. The technical approach for LTP probe development involves a combination of simulation and experimental studies that will be used to characterize the LTP ionization processes and compare the LTP with other atmospheric ionization methods.

**Extent of competition:**

This effort was awarded as a result of a proposal received from a non-traditional entity under Broad Agency Announcement 08-01.

**Rationale for using Other Transaction authority versus procurement contract, grant, or cooperative agreement:**

Purdue University possesses the mechanism to support the ARFCAM and LACIS projects through basic and developmental research efforts based on an emerging chemical detection schemes not previously available. This project will enhance the current detection technologies being developed under these projects. Purdue University meets the definition and criteria of non-traditional government contractors whose unique services and integrated solutions will aid in the Nation's security. These combined skills are vital in meeting the success of the program in protecting the public safety and security of the nation. Under this effort, the university will systematically investigate a low-temperature plasma probe for mass spectrometry detection of chemicals on surfaces and in liquids.

An OT Agreement was chosen to provide the ability to share the burden of financial and technical risk during the developmental stages in return for commercialization opportunities. The OT supports the more-collaborative Government/Recipient dynamic (as opposed to the traditional Government/Prime Contractor relationship) that are necessary to strengthen such commercialization opportunities.

Under this effort, the recipient will be paid based upon a schedule of payment milestones on a quarterly basis. Therefore, the Other Transaction authority was selected as the chosen acquisition strategy in order to most effectively meet the required program objectives.

**Extent to which the Other Transaction (OT) has contributed to a broadening of the technology and industrial base available for meeting Department of Homeland Security needs:**

The use of an OT agreement contributes to broadening the technology and industrial base by facilitating the participation of Purdue University (a non-traditional Government contractor) and potential subcontractors, such as U. S. Genomics.

**Extent to which the Other Transaction (OT) has fostered, within the technology and industrial base, new relationships and practices that support the national security of the United States:**

The sharing of the resultant analytical sampling methods to facilitate mass selective detective technologies will foster new technology and practices, promote new partnerships, and enhance the security and safety of our Nation.

**Results of any audits of the Other Transaction agreement:**

No audits were conducted on this particular OT agreement during the current reporting period.

- End -



**ANNUAL REPORT TO CONGRESS**  
**AWARDS PURSUANT TO OTHER TRANSACTION AUTHORITY**  
**FISCAL YEAR 2009**  
**OFFICE OF PROCUREMENT OPERATIONS**

**Agreement Number:** HSHQDC-09-9-00011

**Type of Agreement:** Other Transaction for Prototype Project

**Title:** Recovery Transformer (RecX)

**Awarding Office:** U. S. Department of Homeland Security Office of Procurement Operations

**Awardee:** Electric Power Research Institute, Inc. (EPRI)

**Effective Date:** 17 AUG 2009

**Estimated Completion or Expiration Date:** 30 SEP 2012

**U. S. Government Dollars:** \$1,572,854.00 (FY09 obligations)

**Non-Government Dollars:** \$0.00

**Dollars Returned to Government Account:** \$0.00

**Technical objectives of this effort, including the technology areas in which the project was conducted:**

The technical objectives of this effort are to build and test prototypes of a new type of emergency spare extreme high voltage (EHV) network transformer to energize U.S. electric grid substations during recovery time after high voltage transformer outages due to equipment failure, weather, earthquake or other cause of failure. This Recovery Transformer (RecX) program will deliver prototype EHV recovery transformers designed for transportability, ease of installation, and low maintenance as temporary solutions during emergencies and electric grid blackouts. This is a spiral development effort with two major phases:

Phase I: Develop/demonstrate state of the art technologies in form, fit and function a prototype EHV transformer suitable for replacing 345 kilovolt (KV) (high side) transformers during emergencies; and

Phase II: Develop/demonstrate an improved prototype EHV transformer. Improvements may include increased transportability (form/fit to transport vehicles and reduced weight), increased efficiency (from 90% to 99.8%), and increased voltage (possibly up to 750 KV).

**Extent of competition:**

This effort was awarded as a result of a sole-source solicitation.

**Rationale for using Other Transaction authority versus procurement contract, grant, or cooperative agreement:**

The awardee, EPRI, proposed and seeks to subcontract with ABB, Inc., a commercial manufacturer of transformers and a non-traditional Government contractor. ABB will design, manufacture, and test the prototype recovery transformers. The proposed subcontract is approximately 56% of the total estimated value of the cost sharing effort. ABB is the only company currently in the U.S. today having the manufacturing facilities to produce and deliver the full level of recovery transformer details needed in the RecX Program. ABB has stated to EPRI that they will not accept a FAR-based subcontract. Alternate contractor facilities to build and factory test a transformer of the type and power levels required in the RecX Program do not reside domestically. Additionally, the Other Transaction agreement with EPRI, a traditional Government contractor, will be a cost-reimbursement effort with no fee and a 50% cost share.

**Extent to which the Other Transaction (OT) has contributed to a broadening of the technology and industrial base available for meeting Department of Homeland Security needs:**

The use of an Other Transaction agreement has contributed to a broadening of the technology and industrial base available for meeting Department of Homeland Security needs by facilitating the participation of ABB, a non-traditional Government contractor. EPRI proposed and seeks to subcontract with ABB, a commercial manufacturer of transformers. The amount of the proposed subcontract with ABB is \$7,788,948, which is 56% of the \$13,897,085 total estimated value of the cost sharing agreement. ABB will design, manufacture, and test the prototype recovery transformers.

**Extent to which the Other Transaction (OT) has fostered, within the technology and industrial base, new relationships and practices that support the national security of the United States:**

The use of an Other Transaction agreement has fostered, within the technology and industrial base, new relationships and practices that support the national security of the United States by enabling the participation of ABB in the RecX program. ABB is the only company currently in the U.S. today having the manufacturing facilities to produce and deliver the full level of

recovery transformer details needed in the RecX program. The use of the Other Transaction agreement has allowed the Government to move forward with the RecX program with a known commercial contractor acknowledged as an expert in this field.

**Results of any audits of the Other Transaction agreement:**

No audits were conducted on this particular OT agreement during the current reporting period.

- End -

ANNUAL REPORT TO CONGRESS  
AWARDS PURSUANT TO OTHER TRANSACTION AUTHORITY  
FISCAL YEAR 2009

OFFICE OF PROCUREMENT OPERATIONS

**Agreement Number:** HSHQDC-09-9-00012

**Type of Agreement:** Other Transaction (OT) for Prototype

**Title:** “Operational Testing and Evaluation of Solutions for Cargo Screening Program Initiatives,” and “Vulnerability and Mitigation Assessment for General Aviation Airports”

**Awarding Office:** Department of Homeland Security (DHS) Office of Procurement Operations

**Awardee:** National Safe Skies Alliance (NSSA)

**Effective Date:** 16 SEP 2009

**Estimated Completion Date or Expiration Date:** 15 SEP 2010

**U.S. Government Dollars:** \$1,698,851.19 (FY09 obligations)

**Non-Government Dollars:** \$0.00

**Dollars Returned to Government Account:** \$0.00

**Technical objective of this effort, including technology areas in which the project was conducted:**

*Cargo Screening.* In order to comply with the 9/11 Commissions Recommendations Act of 2007 (Public Law 110-53), DHS has developed a cargo screening security test and evaluation program. Currently, the likelihood of an explosive device penetrating the air cargo system is compounded by the fact that the detection methods in use do not match the sophistication of likely threats. The Recipient will be assisting DHS to work through this mitigation risk and danger by assessing and evaluating new security technologies for use in the air cargo industry to further enhance security beyond the baseline standards. Under the Operational Testing and Evaluation (T&E) of Solutions for Cargo Screening Program Initiative, the Recipient the National Safe Skies Alliance will assist DHS in planning and coordinating test initiatives, and collecting and analyzing data to assess and evaluate new security technologies for use in the air cargo industry.

*Vulnerability and Mitigation Assessment for General Aviation (GA) Airports.* DHS is engaged in a Threat Mitigation and Vulnerability Assessment Program for General Aviation Airports. To effectively perform the assessment across the 19,000 GA landing facilities in the United States, a well structured approach is required. Under the GA Assessment, the Recipient is tasked to assist DHS in researching and organizing the scientific, engineering, and technological resources of the United States in order to leverage existing resources and create technological tools to help protect the homeland.

Both programs covered under this agreement consist of only one phase.

**Extent of competition:**

This effort was awarded as a result of a proposal received from a non-traditional entity under Broad Agency Announcement 08-01.

**Rationale for using Other Transaction authority versus procurement contract, grant, or cooperative agreement:**

NSSA possesses leading aviation technologies in cargo screening and general aviation vulnerability and mitigation assessment. They meet the definition and criteria of non-traditional government contractors whose unique services and integrated solutions will aid in the Nation's commercial aviation security. These combined skills are vital in meeting the success of the program, increasing volumes of cargo and air traffic, and protecting the public safety and security of the nation. The program was flexible in modifying initial goals and objectives to take advantage of commercial technology and commercialization opportunities. The decision to proceed with these two programs supports the DHS mission through sufficient flexibility with its industry teaming partners and a willingness to accommodate their interests during program execution.

An OT Agreement was chosen to provide the ability to share its burden of financial and technical risk during the developmental stages in return for commercialization opportunities, and supports the more-collaborative Government/Recipient dynamic (as opposed to the traditional Government/Prime Contractor relationship) that are necessary to strengthen such commercialization opportunities.

This OT Agreement provides the necessary flexibility to overcome non-traditional performers' concerns over acquisition statutes and regulations, intellectual property, licensing rights, audits, and foreign access to technology. They have been audited under Office of Management and Budget (OMB) Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations."

A procurement or financial assistance award would not be appropriate in this case, where the Government has specific requirements which must be satisfied. Therefore, the Other Transaction authority was used as the chosen acquisition strategy which would most effectively meet the required program objectives.

**Extent to which the Other Transaction (OT) has contributed to a broadening of the technology and industrial base available for meeting Department of Homeland Security needs:**

The use of an OT agreement contributes to broadening the technology and industrial base by facilitating the participation of the National Safe Skies Alliance (a non-traditional Government contractor) and potential subcontractors.

**Extent to which the Other Transaction (OT) has fostered, within the technology and industrial base, new relationships and practices that support the national security of the United States:**

*Cargo Screening.* The NSSA is providing services that will protect the Nation's critical cargo screening program. The NSSA is a non-profit organization that conducts independent, impartial testing of airport security equipment, systems, and processes at airports throughout the nation and abroad. Over the past ten (10) years, they have developed a solid knowledge base of all elements affecting currently deployed and emerging explosives detection equipment technologies, including technical, infrastructure, and human factors considerations, and has extensive experience with its associated processes and the facilities in which they would be deployed. The NSSA has performed more than one-hundred and eighty test and evaluation tasks in over eighty major airports in the continental U.S., Alaska, Puerto Rico, Canada, and England in support of the Federal Aviation Administration, Transportation Security Administration, and the DHS Science and Technology Directorate. Of these tests, fifteen (15) have been performed in the cargo screening area. Significant disruptions to the cargo screening program can severely impact regional and national economic and security considerations.

*Vulnerability and Mitigation Assessment for General Aviation Airports.* The NSSA tests and evaluates aviation security technologies and procedures. Over the last ten years, the NSSA has developed a solid knowledge base of security principles specific to airport facilities and is providing services that will protect the Nation's general aviation airports through their experience in vulnerability and risk mitigation assessments.

**Results of any audits of the Other Transaction agreement:**

No audits were conducted on this particular OT agreement during the current reporting period.

- End -