



A Conversation with Rafael Borrás Undersecretary for Management at the U.S. Department of Homeland Security

The U.S. Department of Homeland Security has an expansive and varied mission. Managing its resources efficiently, effectively, and as “OneDHS” are the key to successfully meeting that mission. How is the Department of Homeland Security turning its OneDHS vision into reality? What is DHS doing to better manage its resources and execute its overall mission? How is DHS providing stewardship that is balanced between meeting mission objectives and investing wisely? Rafael Borrás, undersecretary for management at the U.S. Department of Homeland Security, joined me on The Business of Government Hour to explore these questions and so much more.



On the Mission of the DHS Undersecretary for Management

We are everywhere. All you have to do is watch the news ... we probably dominate half of the news on a given day. We are roughly 200,000 employees. DHS has ... approximately \$43 billion in appropriations [and its] fee-generating activities bring us up to about \$55 billion in total operating budget. We have a departmental level responsibility; in that capacity we have to be good stewards of the department's overall business. We also have a service function. We serve the DHS component agencies that are meeting the mission of the department.

The simplest way to describe the role of DHS Undersecretary for Management is as the Chief Management Officer for the department. All of the administrative functions report to the Undersecretary for Management [including]... such areas as finance, human capital, IT, facilities management, performance management, and procurement. We seek to ensure that [the] department's approximately 230,000 employees have well-defined responsibilities and the effective means and resources to meet mission.

I view my job as being the number one steward for good government—to constantly pursue good business practices and return on investment. We make investments in our people and in the goods and services that we acquire. It's my

job to make sure that we are good stewards of these investments and the taxpayers' money.

In the management area, the talk often centers on what we do to comply. I'm trying to change that conversation. What are we doing to serve? How will we serve the DHS component agencies? This really is important to me as DHS undersecretary for management.

On Crafting a Strategic Framework for Homeland Security

I'd like to begin with the first-ever Quadrennial Homeland Security Review (QHSR) delivered by Secretary Napolitano in 2010. It was sort of a seminal moment for the department and marked an important first step in a multi-step process to examine and address fundamental issues that concern homeland security. It described the nation's homeland security interests, identified the critical homeland security



missions, and defined a strategic approach to those missions by laying out the principal goals, essential objectives, and key outcomes necessary for that approach to succeed. This comprehensive, enterprise-wide strategic framework provided the foundation for the next step: a deeper, Bottom-Up Review (BUR) of the Department of Homeland Security programs and activities required to execute the homeland security missions.

The BUR serves as a road map for areas where additional emphasis, investment, and effort are needed to strengthen mission performance, improve departmental operations and management, and increase accountability for the resources entrusted to DHS. I think it's very important to start with a conceptual framework. DHS had 22 different components that came together from different agencies, all with their own legacy notion of what and who they were, often connected to completely different mission sets. It's very important for the department to come together to forge a OneDHS identity. What is it we're trying to achieve? How do we seek to achieve it? What do we expect? What are our outcomes? How are we going to measure them? This is what the QHSR and the BUR have given the department—the ability to begin this process.

On Management Challenges Facing DHS

I have identified three major areas of attention. I think it's very important when coming on board to provide context, a framework that conveys your focus. We're concentrating on very strong financial management, solid acquisition

capabilities, and finally ... on our people, our human capital. These are the pillars we're going to build our success upon.

We came together as a department without a unifying financial management system. This is probably the single most important thing that we're focused on right now ... We haven't been able to receive a clean audit. It's very important that we do and we've made tremendous progress. We've been able to get our material weaknesses down from about 10 to one. It's driving us to improve our financial management system so that we can improve our reporting and our internal controls.

It's not just about complying with the Office of Management and Budget (OMB) or Congressional requirements. We must go beyond simple compliance and ask: Are we doing the right kind of analysis? Are we performing value-added analysis that helps decision-makers make better decisions? We need to develop and use what I call decision-support tools. The department is very large with a varied mission. We need to ensure that we focus on the right information needed to assist DHS leaders to make better decisions. How are we going to collect that information? How are we going to provide it to decision-makers real-time so that we can make better, smarter decisions? The business of protecting the nation's homeland requires real-time support. While we're not on the frontline providing homeland security services, the DHS management directorate is providing that backbone support. I need better tools to do that and a strong financial management capability is key to making it all happen.

I always say that if you want to get better, then you have to get good first. In the acquisition and human capital areas, we're talking about how we train, develop our workforce, and get back to those core skills needed for mission execution and mission support. I want people to become good at the basics: be good at their core skills and we can help them get better. When we talk about acquisition we're looking at more than just contracting officers and contracting office technical representatives. We're talking about the whole human capital lifecycle that supports acquisition. These are the project managers, cost engineers, schedulers, and systems engineers. What is the right kind of training that's needed to grow the acquisition workforce? Acquisition right now is one of the hottest commodities in the workplace. It's one of the most, if not the most, competitive human capital field right now. We have to be very creative about growing our own. We want to invest in our people and keep them at DHS. We have to provide the resources and proper training to them.

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— Rafael Borrás



On Enhancing DHS's Acquisition Function

I'm most excited about the work we are doing in this area. It is our best opportunity to maximize return on investment and be good stewards of the roughly \$13 billion annually we spend on acquisitions. What is a good acquisition? It starts with good requirements on the front end, which is so fundamental. You need to know what you want to buy, what you want to use it for, and how you intend to measure its effectiveness.

How do we get better at defining requirements? I don't want to slow the process down and make it so cumbersome that ... we'll never get anything out the door or be able to buy anything. At the front end we need to put out a Request for Proposal (RFP) that's based on a good set of requirements, make the best award we can, and negotiate the best deal. The other end of the acquisition lifecycle is managing the implementation of any acquisition. When you look at the programs that have not gone well they all started with poorly defined requirements and weren't executed well. These are the areas that we are improving. The good news is that my predecessors have built a solid foundation. We're building upon that foundation—strengthening the front end as well as the back end or execution side.

In fact, DHS has made significant improvements in acquisition oversight in the last two years; however, we need to continue to strengthen this process. For example, we are pursuing rigorous analyses of operational requirements [and] technology alternatives, and disciplined testing and evaluation of technology acquisitions will be instituted to ensure investments yield intended mission improvements. There's much we can be doing, but we've chosen to concentrate on these elements of acquisition. In the end, I think we can realize great efficiencies in terms of negotiating better contracts and getting better deals on behalf of the government.

On Pursuing a Balanced Workforce Strategy

This strategy provides tools to assess the proper balance and effective use of federal and contractor workforces. It is a three-pronged approach to ensuring that the right workforce balance is achieved. First, we are taking steps to ensure that no inherently governmental functions are performed by contractors. Second, we put in place rigorous review procedures to ensure that future contract actions do not increase our reliance on contractors. Third, we are coordinating workforce assessments across the department to seek economies and service improvements and reduce our reliance on contractors.

This is not an attempt to go after contractors. DHS and many federal agencies use contract workforce to deliver services. The trick is to make sure that we have the right balance. What is the right mix of personnel for oversight? Do we have the right number of [federal employees providing] oversight for contract staff? This tool allows us to evaluate these different factors and make a determination [on] whether we are wisely spending our money. We are entering a time of fiscal austerity. It's going to force us to be able to think differently about how we deliver services and at what cost. I'm always thinking about whether we are adding value and being good stewards of the public's money.

On Looking Toward the Future

We need diagnostic and predictive tools that assess the health of our programs and acquisitions, and give us insights into programs that may be going off track. I'm very interested in the predictive capability of such tools. It's far too late when a program shows up in breach—30 or 40 percent over budget or behind schedule. At that point, we are in a reactive mode trying to figure out how to bring that program back into alignment. I'd much rather be in the predictive or diagnostic mode, assessing on a periodic basis the health of programs and being able to then add value. In concert with that effort, it is my responsibility to find ways to help

In 2004, the General Services Administration acquired the St. Elizabeths site in the Anacostia neighborhood of Washington, D.C. and designated it as the new home of the Department of Homeland Security. The first of three construction phases includes the U.S. Coast Guard headquarters. The campus will feature an 11-story office building that will house almost 4,000 employees, a separate central utility plant, and two seven-story parking garages. It will be one of the largest design-build projects ever constructed in Washington, D.C. Full occupancy of the campus is expected in 2016.



programs succeed. I want to be able to catch a potential issue early and then I want to help the program manager.

We are going to constantly evolve and continue to learn. We can't be afraid to fail, but we also need to be better at managing and mitigating our risk. One way we are going to get there is with a better-trained workforce. Another way is by having those predictive and diagnostic tools that will give us better insight into the health of programs.

On Consolidating DHS's Physical Footprint

DHS is consolidating our headquarters in the National Capital Region (NCR) at [the former hospital] St. Elizabeths Campus in Washington, D.C. The DHS's current facilities are spread among more than 40 buildings in the Washington, D.C. area. From an efficiency standpoint, a communication standpoint, a collaboration standpoint, there are just so many inherent inefficiencies with that model. In an effort to provide a more unified, secure campus that brings together our executive leadership and operational management, this new headquarters will allow for more efficient incident management response and command-and-control operations. We're very fortunate to have the west campus of the St. Elizabeths Hospital site available for the Department of Homeland Security. We are working with GSA to use that

space, preserve the integrity and historical nature of that campus, but also enable it to meet our operational needs. It's not simply about the physical location. In addition to the physical re-location and all of the efficiencies or synergies that we can develop, the discipline of going through this process is going to be very helpful. This new facility gives us an opportunity to re-establish and foster a OneDHS culture. This exercise forces us to look at ourselves, see how we're structured, and how we're organized. ■

To learn more about U.S. Department of Homeland Security, go to www.dhs.gov



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