

NEWS ALERT



U.S. HOUSE OF REPRESENTATIVES

Homeland Security Committee

Rep. Bennie G. Thompson, Chairman



FOR IMMEDIATE RELEASE

Statement of Chairman Bennie G. Thompson

“Responsibility in Federal Homeland Security Contracting”

April 20, 2007 (Washington) – Today, Committee on Homeland Security Chairman Bennie G. Thompson (D-MS) delivered the following prepared remarks for the full Committee hearing entitled “Responsibility in Federal Homeland Security Contracting”:

“Federal contracting is an important issue. Every year, the Federal government spends billions of dollars in buying goods and services from the private sector. There is a necessary relationship between the government and the private sector.

In 2006 alone, DHS spent about 40% of its \$31 billion budget on contracts for goods and services-- making DHS the third largest purchaser in the Federal sector. I have been told that responsibility in contracting is a government-wide issue and shouldn't be a concern for this committee. I have been told that strengthening responsibility rules must be a government-wide undertaking.

Yes, I agree that responsibility should permeate every procurement shop in the federal government. But that will never happen unless one agency steps forward, and decides to reach for a higher standard.

Increasing contractor accountability at DHS will help transform the slipshod contracting methods that pervade the federal government. As Members of Congress, we have a duty to ensure that before the taxpayer's money is spent, DHS knows that the company receiving it will exercise sound business practices, ethics, and integrity.

Yet, I am told that responsibility in contracting is a controversial topic. How could anyone be opposed to increased standards of accountability? Assuring accountability before contracts are awarded will reduce fraud, waste and abuse later on down the line.

Experience has proven that there is a direct connection between an agency failing to adequately compete a contract and poor performance on that contract. The billions wasted in no-bid, sole-source contracts awarded after Hurricane Katrina stand as a testament to that fact.

Traditionally, “full and open” competition has been the government-wide standard. However, in recent years, there has been a troubling shift toward non-competitive, sole source contracts. In Fiscal Year 2005 alone, nearly 50% of DHS' contract awards were sole source, no-bid contracts.

This Committee has established a robust record and a demonstrated commitment to increased responsibility in contracting at the Department of Homeland Security. In our Authorization bill for Fiscal Year 2008, we require each contractor to disclose any role its company may have had in creating any part of the contract vehicle that it is bidding on.

We also require a statement from each contractor that it is not in default or delinquent on federal tax obligations. This is a good start and not a lot to ask. If a company wants a DHS contract, shouldn't we expect, at the very least, that there is no conflict of interest and they have paid their taxes?

"Contractor Responsibility" is just this simple: Federal tax dollars should not be used to support companies that are not willing to comply with federal law."

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