

U.S. Department of Homeland Security Testimony of

Nick Nayak, Chief Procurement Officer

And

Humberto Medina, Assistant Director, Immigrations and Customs Enforcement National
Firearms and Tactical Training Unit

Before the House Committee on Oversight and Government Reform Subcommittee on National
Security, Homeland Defense and Foreign Operations and Subcommittee on Economic Growth,
Job Creation, and Regulatory Affairs

April 25, 2013

Chairmen Chaffetz and Jordan, Ranking Members Tierney and Cartwright, and members of the Subcommittees, as you know, the Department of Homeland Security (DHS) has important law enforcement and security missions. The Department employs more law enforcement agents than any other Department in the Federal Government. Many of the men and women of DHS put their lives at risk protecting the Nation every day and, therefore, must carry firearms in the line of duty. As such, DHS requires that employees who carry firearms in the line of duty regularly undergo qualification and testing on any device issued to them. The Department uses ammunition in its operations, training, and qualifications programs commensurate with its missions. Over the past ten years, the Department has continued to leverage the size of its law enforcement and security missions to save taxpayer funds through economies of scale through business processes in the procurement of ammunition and other law enforcement related items and services. We provided information about our procurements and responded to Members of Congress and the public with extensive information, and work with our stakeholders regarding our business practices and potential procurements.

DHS Ammunition Requirement

DHS employs approximately 72,000 agents and officers¹ that carry one or more firearms in the performance of their duties, including Border Patrol Agents, U.S. Customs and Border Protection Officers, Secret Service Agents, Uniformed Division Officers, Physical Security Specialists, Federal Air Marshals, Federal Protective Service Officers, and U.S. Immigration and Customs

¹ National Finance Center Job Series data from 2/9/2013: 71,998 employees includes Series 0083 (police), 1801 (General Inspection, Investigation, Enforcement and Compliance— ICE, TSA, and FPS only), 1811 (Criminal Investigation), 1895 (Border Patrol Enforcement) 1896 (Customs and Border Protection), and 0080 (Security Administration, FPS only).

Enforcement Agents and Officers. DHS Components have some of the most stringent qualifying requirements regarding firearm use in the Federal Government, due in part to the nature of their missions such as the Secret Service protection of the President, Federal Air Marshals operations on airplanes, and the rugged conditions that members of the Border Patrol face. Most of our agents and officers are required to qualify four times each year plus an annual night time qualification on all issued weapons, including pistols as well as rifle and/or shotgun. There are variations between the components, but in general employees are allotted approximately 200 rounds of ammunition for qualification and training each quarter and specialized agents or teams also participate in advanced firearms training that use additional ammunition.

In addition to civilian DHS firearms users, the U.S. Coast Guard consists of over 41,000 uniformed members of the military who also train with and carry firearms in the performance of their duties. Furthermore, DHS houses four interagency training sites that comprise the Federal Law Enforcement Training Center (FLETC). FLETC trains over 70,000 Federal, State, Local and Tribal law enforcement personnel every year. Since it was established in 1970, approximately 1,000,000 law enforcement officers and agents have been trained at FLETC. Ammunition purchased by FLETC is utilized by all students that train on firearms at their facilities.

DHS Purchase and Use

The quantity of ammunition that DHS has procured has largely remained constant relative to the Department's employee base since fiscal year (FY) 2006.² On average, over the last three fiscal years, DHS procured approximately 120 million rounds of ammunition per year of all calibers and types and fired approximately the same number of rounds per year, almost exclusively for training purposes. In FY 2012, for example, DHS estimates that it procured just over 100 million rounds³ and we anticipate the purchase and use of ammunition in the current fiscal year to be similar to previous years.⁴ Based on the President's budget request for FY 2013, submitted to Congress in February 2012, Components identified approximately \$37 million spread across different accounts that was budgeted for ammunition in FY 2013.⁵ Furthermore, during the first two quarters of FY 2013 DHS purchased just under 41 million rounds of ammunition.⁶ However, due to current resource constraints, efforts have been made to reduce spending on supplies, including ammunition if it will not have a deleterious effect on officer safety and proficiency.

² FPDS.gov Spending Data retrieved 2/22/2013.

³ DHS Data call to Components, April 15, 2013. The number of rounds purchased was previously reported to Congress as 103,178,200. It has been revised based on updated figures from the Components.

⁴ DHS has on hand an inventory of approximately 263 million rounds, slightly more than two years' usage.

⁵ Retrieved in November 20, 2012 data call.

⁶ April 15, 2013 data call to Components.

The Department has experienced only minor fluctuations in its buying patterns for ammunition since its inception. These fluctuations have been driven by the size of the employee base using ammunition in the performance of their jobs and associated training. For example, the Border Patrol has doubled in size over the last ten years, which has required a commensurate increase in the amount of ammunition required for their training, qualification, and operations.⁷ The Department's ammunition purchases peaked in FY 2010, and have since declined in each successive fiscal year.⁸ Due to the fact that manufacturers can take six months to a year to deliver ammunition, DHS has a supply of ammunition on hand at a given time in order to manage training, operational posture needs, and delivery times from the manufacturers. As of April 15, 2013, this amounted to DHS having approximately 246,451,611 rounds in inventory.⁹

Strategic Sourcing

DHS has been widely recognized as a leader in the area of strategic sourcing, a key business practice that can reduce the cost of commodities purchased by the government. The Department's efforts are led by the Strategic Sourcing Program Office operated out of the Management Directorate's Office of the Chief Procurement Officer. Strategic sourcing helps combine requirements for similar products and services across the various DHS Components in order to achieve the best prices, and save money for the American taxpayer. Over the past three years alone, DHS has saved over \$1 billion through its strategic sourcing program. While achieving these results, the Department has continued to maintain a strong focus on small business and over the last three years, nearly a third of DHS's strategic sourcing dollars went to small businesses.

DHS currently has over 50 active strategic sourcing initiatives comprised of over 460 contracts. These initiatives include a diverse portfolio of items including: computers, IT services, software, tactical communications equipment, body armor, office supplies and more. Six of these strategic sourcing initiatives are for ammunition. Most of these are indefinite-delivery/indefinite-quantity (IDIQ) type contracts. These contracts are **not** purchases, but rather lock in the price, specifications, and delivery costs for the specified periods of performance. They also set a contract ceiling, or maximum quantity, that can be ordered.

Given the large number of law enforcement and security personnel across the Department, DHS established the Weapons and Ammunition Commodity Council (WACC) in October 2003 with the goal of consolidating requirements for the acquisition of weapons, ammunition, and other use of force related or enforcement equipment for the purpose of developing procurements designed to achieve cost savings based on increased purchasing power. In addition to the cost saving achieved through collective procurement actions, the use of this strategic sourcing acquisition

⁷ In particular, the Border Patrol added over 2,000 agents each year from FY 2006 to FY 2009.

⁸ FPDS.gov Spending Data retrieved 2/22/2013, and DHS November 20, 2012 data call.

⁹ DHS Data call to Components April 15, 2013. Previous inventory on November 20, 2012 was approximately 263,733,362.

approach leverages the specific expertise and resources each Component brings to bear. The benefits of this approach are significant because no single organization is required to have within its ranks all the technical and procurement resources necessary.

Components combine their expertise and resources to initiate DHS-wide contracts based on their specific mission needs. For example, U.S. Customs and Border Protection (CBP) is the largest user of .40 caliber pistol and .223 rifle ammunition, but U.S. Immigration and Customs Enforcement (ICE) has a state of the art weapons and ammunition testing facility as part of its National Firearms and Tactical Training Unit (NFTTU). The NFTTU Ballistics Laboratory (BALLAB) is an ISO 9001-certified laboratory staffed by experienced engineers and technicians supported by a team of veteran armorers. The BALLAB conducts research and testing of ammunition, firearms, and other law enforcement equipment. In addition, the BALLAB performs examinations of items returned from service to identify defects, monitor vendor quality control and perform vendor process audits. ICE NFTTU manages the contracts for these two types of ammunition and other items and conducts lot testing of items at its facility, meaning that CBP does not need to maintain this testing and research capability as it would be a duplication of efforts.

The WACC has established contracts for semi-automatic pistols, dual purpose body armor, pistol lock boxes, brass recycling services, vehicle lock boxes, and various calibers and types of ammunition. While the WACC initially identified commonalities in requirements of the Components, over time it has had the effect of streamlining the types of equipment the diverse Components choose to use. Components have switched the caliber of pistol they use in part due to the prices they are able to secure by joining the procurement effort, which leads to the ability to further leverage additional quantities in the ammunition contracts for those weapons.

While contracts established through the WACC are available for use by all DHS entities, some contracts are used only by a single Component because the items are required to address a unique organizational need. In some cases, Components establish smaller contracts for specialized or unique needs outside of the WACC. The WACC continues to explore opportunities for additional savings and further efficiencies.

Ammunition Contract Vehicles

Currently, DHS has strategically-sourced IDIQ contracts for a variety of ammunition¹⁰ for duty use, and a multiple award contract for Commercial Leaded Training Ammunition (CLTA) in a variety of calibers and types for training use in handguns, rifles, and shotguns. Each contract is an IDIQ type contract with various contract ceilings and periods of performance of up to 5 years. DHS orders off the contracts on an as-needed basis and pays for the ammunition upon delivery.

¹⁰ Ammunition varieties include .40 caliber, .38 caliber, 9mm Luger, .223 Remington, and 12ga shotgun; 12ga slug and buck shotgun ammunition contracts expired on January 30, 2013 and DHS intends to recomplete this requirement in the near future.

Total orders may not exceed the negotiated ceiling of rounds and DHS is only required to buy a minimum number of rounds on these contracts. Required quantities range from 1,000 to 10,000 rounds, which represent a very small portion of the projected DHS requirement.

The two largest contracts in terms of their ceiling of rounds are the .40 caliber pistol and the .223 rifle contracts. These contracts have lifetime ceilings of 450 million and 165 million rounds, respectively over the five-year life of each contract—but this does not mean DHS will purchase this many rounds. DHS has used similar contract vehicles in the past. The WACC developed its first strategically-sourced ammunition procurement in 2005. For example, beginning in 2008, DHS competed and awarded three contracts for .40 caliber ammunition of varying weights with ceilings totaling 466 million rounds over five years. Today, DHS has moved almost exclusively to 180gr bullets for its .40 caliber ammunition, so the .40 caliber contracts awarded in 2008 and early 2009 have been allowed to expire and their requirements were combined to the single .40 caliber contract vehicle currently in place.

How DHS Uses Ammunition

DHS uses duty ammunition for training in most circumstances. The price per round under the current DHS .40 caliber duty ammunition contract is \$0.243, which represents up to 80 percent savings over some retail prices, and an average savings of 57 percent. Despite the low price, the contract stipulates rigorous quality standards and samples of each lot produced are sent to the ICE NFTTU BALLAB for testing. If approved, the lot is set aside at the manufacturer's facility as a DHS-approved lot for delivery to DHS field offices, Border Patrol stations, and training facilities as they are needed. DHS personnel are engaged in work around the country including at remote border locations and small field offices. Delivering and storing different types of ammunition for training and operational use creates complex logistical challenges. Given the low price that DHS has been able to negotiate on its ammunition contracts, officers, agents, and specialists generally use the same types of rounds for training and operational use.

DHS law enforcement personnel carry hollow-point pistol ammunition in most duty situations, which is the standard practice in law enforcement. Hollow point bullets expand outward on impact and limit the extent to which the bullets are able to pass through the target thereby limiting the potential of collateral damage. DHS agents and officers have a variety of less than lethal weapons, and only use firearms when use of deadly force is warranted and legally authorized.

Enhancing Ammunition Training and Achieving Additional Savings

DHS is investigating a variety of methods in order to achieve additional savings on the purchase and use of ammunition. For example, since 2007, FLETC and the Royal Canadian Mounted Police (RCMP) have conducted collaborative research to determine the necessary portions of firearms training that may be carried out by either simulators or live fire training with ammunition. Additionally, the RCMP has conducted research showing that officers trained with simulators have retained a higher level of firearms proficiency than those trained with live fire ammunition. DHS believes that some cost savings may be achieved by using simulators to replace or augment live fire training and the WACC is actively exploring these avenues, specifically the procurement for Interactive Firearms Training Simulators.

Additionally, DHS is investigating whether industry is able to produce a less expensive round to replace the use of duty ammunition in training situations. The round would be required to mimic the accuracy, recoil, and firearm performance of current duty ammunition and also have easily distinguishable characteristics from standard duty ammunition to avoid confusion between training rounds and duty rounds. DHS is also examining the feasibility of reducing the quantity of ammunition used in training without jeopardizing officer preparedness.

Transparency

DHS will continue to be transparent about its procurement activities. Every contract solicitation and award has been advertised¹¹ with a full description of the contract vehicle and details about the ceilings and period of performance. In limited cases, procurement sensitive information was redacted from some of the required postings in accordance with the Federal Acquisition Regulation to protect the integrity of the procurement process and prevent any firm from securing an unfair advantage in the competitive process. Additionally, ammunition is a distinct category that is searchable in federal procurement records, which are readily accessible to the public, allowing spending on ammunition to be easily tracked.

Conclusion

DHS maintains a highly trained workforce to fulfill its mission for the American people in the most effective and efficient way possible. While DHS spending on ammunition represents less than one tenth of one percent of the DHS budget, we continue to pursue measures that leverage all of the Department's resources in order to best make use of taxpayer dollars. Thank you and we look forward to answering any questions you may have.

¹¹ Advertisement was on FedBizOpps.gov, the database of federal contracting opportunities.



NICK NAYAK

Chief Procurement Officer



Nick Nayak has over 24 years of senior private, public and academic leadership experience. He has been a dynamic figure in the field of federal acquisition – helping to professionalize the federal acquisition workforce; implement methods to obtain acquisition savings; and recruit the next generation of acquisition professionals.

In 2011, Dr. Nayak issued the Department’s first Chief Procurement Officer’s Strategic Plan for Fiscal Year 2012-2014, which serves as a roadmap for connecting the DHS contracting workforce with the Department’s mission by instituting four priorities: Quality Contracting, Quality People, Quality Program Support, and Quality Industry-Government Communication. To advance these goals, Dr. Nayak and his team established a Procurement Health Assessment to ensure the procurement workforce remains on track in achieving the Strategic Plan’s

objectives.

In February 2013, he released the Annual Progress Report for Fiscal Year 2012, the Strategic Plan’s companion publication, which highlights the DHS procurement workforce’s accomplishments and provides further direction on future priorities, objectives and initiatives. In addition, he initiated a customer satisfaction survey to gauge the Department’s delivery of quality service across all DHS contracting activities.

Within two years of Dr. Nayak’s service with the Department, the Office of Management and Budget, the General Accounting Office and the General Services Administration have recognized DHS as a leader in federal strategic sourcing, a program enabling agencies like DHS to leverage its buying power for commonly used products and services.

The Department has also garnered broad recognition for its commitment to providing maximum opportunities for small businesses. In 2012, the Government Technology & Services Coalition honored DHS as the Federal Small Business Champion of the Year for demonstrating a commitment and tangible results towards improving the business environment for small businesses in the federal marketplace. In addition, the Coalition for Government Procurement honored Dr. Nayak and the DHS procurement workforce with its 2012 Excellence in Partnership Award for fostering open communication between government and industry and effectively breaking down barriers to create a more collaborative procurement environment.

Before joining DHS, Dr. Nayak served as the Deputy Director for Internal Revenue Service (IRS), and in several other high-impact leadership positions, including Director of Strategic Acquisition Initiatives, Deputy Director of the Office of Information Technology Acquisition, Project Executive for the IRS Commissioner’s Security Readiness Project, and Director of the Treasury Acquisition Institute (TAI).

Dr. Nayak has a Ph.D. in Administration and Management, an M.S. in Management and a B.S. in Finance and Economics. He has served as an adjunct professor for several universities and taught over 45 undergraduate and graduate business courses. Dr. Nayak’s hobbies include playing tennis, where he has won more than 100 Washington metropolitan area amateur tennis tournaments and was rated as high as 5.0 on the United States Tennis Association’s rating system.



U.S. Immigration and Customs Enforcement



Mr. Bert Medina was appointed as the Director, ICE National Firearms and Tactical Training Unit (NFTTU) in November 2006. The Director, NFTTU, is responsible for managing national firearms and use of force programs within ICE. This includes policy development, firearms and defensive tactics instructor training, specialized firearms training, acquisition, issuance, maintenance, storage and accountability of firearms, body armor and related items. NFTTU has office locations in Fort Benning, Georgia, Altoona, Pennsylvania and Washington DC., and has personnel assigned in support of ICE and CBP Academy functions at Glynco, Georgia and Artesia, New Mexico.

Mr. Medina has been working in national firearms program functions for over 20 years. Prior to this appointment, Mr. Medina served as the Assistant Director, NFTTU Tactical Operations Branch, Fort Benning, Georgia, and more recently as the Acting Assistant Director, NFTTU Armory Operations Branch, Altoona, Pennsylvania. In these capacities he oversaw activities that included the development and execution of firearms and use of force training at the national level. This included the firearms and defensive tactics instructor training programs, as well as individual officer tactical training. At the NFTTU Altoona facility he had oversight responsibility for functions related to the acquisition, maintenance, issuance and accountability of firearms. This also included the preparation of specifications, test plans, testing and evaluation of ordnance items for acquisition.

Prior to the establishment of ICE, Mr. Medina performed these functions while at the US Customs Service, Firearms and Tactical Training Division, Office of Training and Development, and the National Firearms Program Staff, Office of Investigations training as a manager and an instructor. Mr. Medina brings a wealth of technical and practical experience. His expertise has been instrumental in the development of marksmanship training and in support of several specialized firearms programs.

Mr. Medina has over 28 years of federal service. He began his career in March 1985 as a Special Agent with the Department of the Treasury, Bureau of Alcohol, Tobacco and Firearms. In 1989 he became a US Customs Special Agent assigned to the Office of the Special Agent in Charge in Miami, Florida where he worked investigations that included cargo crimes, international money laundering, narcotics smuggling and assignments in support of undercover operations. In 1993 he took an assignment with the National Firearms Program Staff, Fort Benning, Georgia. Mr. Medina has a Bachelor's in Science degree in business administration from the University of Louisville, in Louisville Kentucky.