

SECURING DEPARTMENT OF HOMELAND SECURITY FIREARMS ACT OF 2017

JANUARY 9, 2018.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. McCAUL, from the Committee on Homeland Security,
submitted the following

R E P O R T

[To accompany H.R. 4433]

The Committee on Homeland Security, to whom was referred the bill (H.R. 4433) to amend the Homeland Security Act of 2002 to require the Under Secretary for Management of the Department of Homeland Security to achieve security of sensitive assets among the components of the Department of Homeland Security, and for other purposes, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

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The amendment is as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the “Securing Department of Homeland Security Firearms Act of 2017” or the “Securing DHS Firearms Act of 2017”.

SEC. 2. DEFINITIONS.

In this Act:

- (1) **DEPARTMENT.**—The term “Department” means the Department of Homeland Security.
- (2) **LOST.**—The term “lost” includes loss by theft.
- (3) **SENSITIVE ASSETS.**—The term “sensitive assets” means any asset, regardless of value—
 - (A) that the Department of Homeland Security issues to a Department employee; and
 - (B) that either the Under Secretary for Management of the Department or a component head determines requires special control and accounting.
- (4) **UNDER SECRETARY FOR MANAGEMENT.**—The term “Under Secretary for Management” means the Under Secretary for Management of the Department of Homeland Security.

SEC. 3. INCLUSION OF SECURING FIREARMS AND OTHER SENSITIVE ASSETS IN RESPONSIBILITIES OF UNDER SECRETARY FOR MANAGEMENT.

Section 701 of the Homeland Security Act of 2002 (6 U.S.C. 341) is amended—

- (1) in subsection (a)(6), by inserting “(including firearms and other sensitive assets)” after “equipment”;
- (2) by redesignating the second subsection (e) (relating to the definition of interoperable communications) as subsection (f); and
- (3) by amending such redesignated subsection (f) to read as follows:

“(f) **DEFINITIONS.**—In this section:

 - “(1) **INTEROPERABLE COMMUNICATIONS.**—The term ‘interoperable communications’ has the meaning given such term in section 7303(g) of the Intelligence Reform and Terrorism Prevention Act of 2004 (6 U.S.C. 194(g)).
 - “(2) **SENSITIVE ASSETS.**—The term ‘sensitive assets’ means any asset, regardless of value—
 - “(A) that the Department of Homeland Security issues to a Department employee; and
 - “(B) that either the Under Secretary for Management of the Department or a component head determines requires special control and accounting.”.

SEC. 4. MANAGEMENT DIRECTIVE.

(a) **SAFEGUARDING FIREARMS AND SENSITIVE ASSETS DIRECTIVE.**—

- (1) **IN GENERAL.**—Not later than 120 days after the date of the enactment of this Act, the Under Secretary for Management shall develop and disseminate a Department-wide directive for achieving adequate security over firearms and other sensitive assets across the Department.
 - (2) **CONTENTS.**—The directive required under subsection (a) shall, at a minimum, include the following:
 - (A) Descriptions of what equipment, in addition to firearms, is classified as a sensitive asset for the purpose of carrying out this Act.
 - (B) Requirements for securing Department-issued firearms and other sensitive assets.
 - (C) A classification system for all categories of Department-issued badges and corresponding requirements for safeguarding such assets.
 - (D) Reporting requirements for lost firearms and other sensitive assets, including timelines for such reporting, to supervisors, local law enforcement, the Federal Bureau of Investigation’s National Crime Information Center, and Department headquarters.
 - (E) Recordkeeping requirements for lost firearms and other sensitive assets in inventory systems, including a timeline for recording such losses.
 - (3) **REVIEW AND UPDATE OF DIRECTIVE.**—Not later than one year after the issuance of the directive required under subsection (a) the Under Secretary for Management shall review and update, as necessary, such directive, including adding a requirement relating to recording in the inventory systems maintained by each component of the Department the acceptance or transfer of a firearm or other sensitive asset by such component.
- (b) **PERSONAL PROPERTY ASSET MANAGEMENT PROGRAM MANUAL.**—Together with the issuance of the directive pursuant to subsection (a), the Under Secretary for

Management shall disseminate a revised version of the Personal Property Asset Management Program Manual that includes the following:

- (1) Requirements for component heads to develop procedures to safeguard firearms and other sensitive assets during on and off-duty time.
- (2) Requirements for the issuance of safety locking devices and policies on the use of such assets, as applicable.
- (3) Requirements for initial, recurrent, and remedial training on safeguarding such assets.
- (4) Examples, with detail, of how to report and record lost sensitive assets across components of the Department, and an enforcement mechanism to ensure supervisors maintain such records.
- (5) A requirement that the file maintained on a lost firearm or other sensitive asset contains both the corresponding police report and the Department report detailing the circumstances surrounding such loss, including information on adherence to safeguarding procedures.

SEC. 5. COMPONENT RESPONSIBILITIES.

Department component heads shall—

- (1) comply with Federal law, Federal regulations, executive branch guidance, and Department policy, including directives required by this Act, relating to the management and oversight of securing firearms and other sensitive assets;
- (2) review the need for non-law enforcement badges;
- (3) require component personnel to safeguard firearms and other sensitive assets in accordance with the directive issued by the Under Secretary for Management under section 4;
- (4) require that component personnel adhere to the procedures and timelines for properly reporting to supervisors lost firearms and other sensitive assets;
- (5) require that lost firearms and other sensitive assets are reported to local law enforcement, the Federal Bureau of Investigation's National Crime Information Center, and Department headquarters in the timeframe established in such directive; and
- (6) require that lost firearms and other sensitive assets are recorded in inventory systems in the timeframe established by such directive.

SEC. 6. INSPECTOR GENERAL REVIEW.

The Inspector General of the Department of Homeland Security shall, on an ongoing basis, review implementation of this Act and, not later than 180 days after issuance of the directive under section 4, submit to the Committee on Homeland Security of the House of Representatives and the Committee on Homeland Security and Governmental Affairs of the Senate a review of the progress and effectiveness of such directive, including an assessment of the adequacy of such directive, as well as the level of compliance among the components of the Department to achieve adequate security of sensitive assets across Department components.

PURPOSE AND SUMMARY

The purpose of H.R. 4433 is to require the Under Secretary for Management of the Department of Homeland Security (DHS) to develop and oversee policies meant to secure firearms and other sensitive assets among the components of DHS.

H.R. 4433, the Securing Department of Homeland Security Firearms Act of 2017, requires the Under Secretary for Management at the Department to disseminate a Department-wide directive for achieving adequate security over firearms and other sensitive assets across the Department. This directive shall include descriptions of what equipment is classified as a sensitive asset, requirements for securing Department-issued firearms and other sensitive assets, and reporting requirements for lost firearms and other sensitive assets, among other items. H.R. 4433 requires the Under Secretary for Management to update and disseminate the Personal Property Asset Management Program Manual and requires component personnel to safeguard firearms and other sensitive assets in accordance with the directive, among other items. The Inspector General shall review the implementation of this Act.

BACKGROUND AND NEED FOR LEGISLATION

According to the Department of Homeland Security (DHS) Office of Inspector General, DHS personnel do not always safeguard sensitive assets that, if lost, would result in critical mission impact or loss of life. Between fiscal years 2014 and 2016, the Department of Homeland Security personnel lost a total of 2,142 highly sensitive assets—228 firearms; 1,889 badges; and 25 secure immigration stamps. For example, the OIG reported that two off duty Immigration and Customs Enforcement officers left their firearms unsecured and unattended in backpacks while on a beach in Puerto Rico. When the officers returned, the bags were gone. Other examples include U.S. Customs and Border officers leaving firearms and other equipment in unattended vehicles, public gym lockers, and homes of friends. In each circumstance, the assets were taken.

In approximately 27 cases of missing assets, the case file for the incident did not include sufficient detail to determine whether the officer properly safeguarded the asset. Further, in many cases, personnel are not being held accountable for failing to safeguard their sensitive assets, nor are they receiving remedial training on how to properly safeguard such materials. Additionally, components are not effectively tracking sensitive assets, and oftentimes provide insufficient guidance on property management policies. H.R. 4433 supports recommendations made in a recent Office of Inspector General report (OIG–18–05) entitled, “DHS’ Controls Over Firearms and Other Sensitive Assets.”

HEARINGS

No hearings were held on H.R. 4433.

COMMITTEE CONSIDERATION

The Committee met on December 13, 2017, to consider H.R. 4433, and ordered the measure to be reported to the House with a favorable recommendation, as amended, by unanimous consent. The Committee took the following actions:

The following amendment was offered:

An Amendment in the Nature of a Substitute offered by Mr. CORREA (#1); was AGREED TO by unanimous consent.

COMMITTEE VOTES

Clause 3(b) of Rule XIII of the Rules of the House of Representatives requires the Committee to list the recorded votes on the motion to report legislation and amendments thereto.

No recorded votes were requested during consideration of H.R. 4433.

COMMITTEE OVERSIGHT FINDINGS

Pursuant to clause 3(c)(1) of Rule XIII of the Rules of the House of Representatives, the Committee has held oversight hearings and made findings that are reflected in this report.

NEW BUDGET AUTHORITY, ENTITLEMENT AUTHORITY, AND TAX EXPENDITURES

In compliance with clause 3(c)(2) of Rule XIII of the Rules of the House of Representatives, the Committee finds that H.R. 4433, the Securing Department of Homeland Security Firearms Act of 2017, would result in no new or increased budget authority, entitlement authority, or tax expenditures or revenues.

CONGRESSIONAL BUDGET OFFICE ESTIMATE

Pursuant to clause 3(c)(3) of Rule XIII of the Rules of the House of Representatives, a cost estimate provided by the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974 was not made available to the Committee in time for the filing of this report. The Chairman of the Committee shall cause such estimate to be printed in the *Congressional Record* upon its receipt by the Committee.

STATEMENT OF GENERAL PERFORMANCE GOALS AND OBJECTIVES

Pursuant to clause 3(c)(4) of Rule XIII of the Rules of the House of Representatives, H.R. 4433 contains the following general performance goals and objectives, including outcome related goals and objectives authorized.

The performance goals and objectives of H.R. 4433 include helping the Department to better secure and safeguard its sensitive assets, assist and ensure that its components do the same, and to enhance its ability to report and record any instances in which sensitive assets are lost. H.R. 4433 requires the Under Secretary for Management to issue a Department-wide directive regarding the security of sensitive assets, and to then review and update the directive within 1 year. Department component heads must comply with this directive and require that their personnel follow it and other relevant rules and regulations for securing sensitive assets. The Inspector General of the Department is further required to review the implementation of this Act and submit a report to Congress within 180 days of the issuance of the directive required by this Act.

DUPLICATIVE FEDERAL PROGRAMS

Pursuant to clause 3(c) of Rule XIII, the Committee finds that H.R. 4433 does not contain any provision that establishes or reauthorizes a program known to be duplicative of another Federal program.

CONGRESSIONAL EARMARKS, LIMITED TAX BENEFITS, AND LIMITED TARIFF BENEFITS

In compliance with Rule XXI of the Rules of the House of Representatives, this bill, as reported, contains no congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9(e), 9(f), or 9(g) of the Rule XXI.

FEDERAL MANDATES STATEMENT

An estimate of Federal mandates prepared by the Director of the Congressional Budget Office pursuant to section 423 of the Unfunded Mandates Reform Act was not made available to the Committee in time for the filing of this report. The Chairman of the Committee shall cause such estimate to be printed in the *Congressional Record* upon its receipt by the Committee.

PREEMPTION CLARIFICATION

In compliance with section 423 of the Congressional Budget Act of 1974, requiring the report of any Committee on a bill or joint resolution to include a statement on the extent to which the bill or joint resolution is intended to preempt State, local, or Tribal law, the Committee finds that H.R. 4433 does not preempt any State, local, or Tribal law.

DISCLOSURE OF DIRECTED RULE MAKINGS

The Committee estimates that H.R. 4433 would require no directed rule makings.

ADVISORY COMMITTEE STATEMENT

No advisory committees within the meaning of section 5(b) of the Federal Advisory Committee Act were created by this legislation.

APPLICABILITY TO LEGISLATIVE BRANCH

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the Congressional Accountability Act.

SECTION-BY-SECTION ANALYSIS OF THE LEGISLATION

Section 1. Short Title.

This section provides that this bill may be cited as the “Securing Department of Homeland Security Firearms Act of 2017”.

Sec. 2. Definitions.

This section provides definitions to be used in this Act for the following terms: “department”; “lost”; “sensitive assets”; and “Under Secretary for Management”.

Sec. 3. Inclusion of securing Firearms and Other Sensitive Assets in Responsibilities of Under Secretary for Management.

This section inserts “including firearms and other sensitive assets” into the Under Secretary for Management’s responsibility to secure equipment for the Department. It also adds definitions for “interoperable communications” and “sensitive assets” to that section of the Homeland Security Act of 2002.

Sec. 4. Management Directive.

This section requires the Under Secretary of Management to develop and disseminate a Department-wide directive within 120 days for achieving adequate security over firearms and other sen-

sitive assets. The directive, at a minimum, must include descriptions of what equipment qualifies as a sensitive asset, requirements for securing, cataloguing, and safeguarding sensitive assets and reporting lost sensitive assets, and recordkeeping requirements. The Under Secretary for Management must further review and update the directive within 1 year.

The Under Secretary for Management must also issue a revised version of the Personal Property Asset Management Program Manual that includes requirements for component heads to develop procedures to safeguard sensitive assets, issue safety locking policies and devices, requirements for recurrent training on sensitive assets, examples of how to report and record lost sensitive assets, and a recordkeeping requirements for lost sensitive assets.

Sec. 5. Component Responsibilities.

This section outlines the responsibilities of the Department component heads, which include: complying with law and policy regarding the securing of firearms and sensitive assets, reviewing the need for non-law enforcement badges, requiring component personnel to safeguard sensitive assets in compliance with the Directive required by this Act, requiring component personnel to adhere to reporting procedures for lost sensitive assets, requiring lost sensitive assets to be reported to law enforcement authorities and recorded in an inventory system.

Sec. 6. Inspector General Review.

This section requires the Inspector General to review, not later than 180 days after issuance, the management directive required by this Act, and to report to Congress on it.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in *italic*, and existing law in which no change is proposed is shown in roman):

HOMELAND SECURITY ACT OF 2002

* * * * *

TITLE VII—MANAGEMENT

SEC. 701. UNDER SECRETARY FOR MANAGEMENT.

(a) **IN GENERAL.**—The Under Secretary for Management shall serve as the Chief Management Officer and principal advisor to the Secretary on matters related to the management of the Department, including management integration and transformation in support of homeland security operations and programs. The Secretary, acting through the Under Secretary for Management, shall be responsible for the management and administration of the Department, including the following:

- (1) The budget, appropriations, expenditures of funds, accounting, and finance.
- (2) Procurement.
- (3) Human resources and personnel.
- (4) Information technology and communications systems, including policies and directives to achieve and maintain interoperable communications among the components of the Department.
- (5) Facilities, property, equipment, vehicle fleets (under subsection (c)), and other material resources.
- (6) Security for personnel, information technology and communications systems, facilities, property, equipment (*including firearms and other sensitive assets*), and other material resources.
- (7) Strategic management planning and annual performance planning and identification and tracking of performance measures relating to the responsibilities of the Department.
- (8) Grants and other assistance management programs.
- (9) The management integration and transformation within each functional management discipline of the Department, including information technology, financial management, acquisition management, and human capital management, to ensure an efficient and orderly consolidation of functions and personnel in the Department, including—
 - (A) the development of centralized data sources and connectivity of information systems to the greatest extent practicable to enhance program visibility, transparency, and operational effectiveness and coordination;
 - (B) the development of standardized and automated management information to manage and oversee programs and make informed decisions to improve the efficiency of the Department;
 - (C) the development of effective program management and regular oversight mechanisms, including clear roles and processes for program governance, sharing of best practices, and access to timely, reliable, and evaluated data on all acquisitions and investments; and
 - (D) the overall supervision, including the conduct of internal audits and management analyses, of the programs and activities of the Department, including establishment of oversight procedures to ensure a full and effective review of the efforts by components of the Department to implement policies and procedures of the Department for management integration and transformation.
- (10) The development of a transition and succession plan, before December 1 of each year in which a Presidential election is held, to guide the transition of Department functions to a new Presidential administration, and making such plan available to the next Secretary and Under Secretary for Management and to the congressional homeland security committees.
- (11) Reporting to the Government Accountability Office every six months to demonstrate measurable, sustainable progress made in implementing the corrective action plans of the Department to address the designation of the management functions of the Department on the bi-annual high risk list of the

Government Accountability Office, until the Comptroller General of the United States submits to the appropriate congressional committees written notification of removal of the high-risk designation.

(12) The conduct of internal audits and management analyses of the programs and activities of the Department.

(13) Any other management duties that the Secretary may designate.

(b) **WAIVERS FOR CONDUCTING BUSINESS WITH SUSPENDED OR DEBARRED CONTRACTORS.**—Not later than five days after the date on which the Chief Procurement Officer or Chief Financial Officer of the Department issues a waiver of the requirement that an agency not engage in business with a contractor or other recipient of funds listed as a party suspended or debarred from receiving contracts, grants, or other types of Federal assistance in the System for Award Management maintained by the General Services Administration, or any successor thereto, the Under Secretary for Management shall submit to the congressional homeland security committees and the Inspector General of the Department notice of the waiver and an explanation of the finding by the Under Secretary that a compelling reason exists for the waiver.

(c) **VEHICLE FLEETS.**—

(1) **IN GENERAL.**—In carrying out responsibilities regarding vehicle fleets pursuant to subsection (a)(5), the Under Secretary for Management shall be responsible for overseeing and managing vehicle fleets throughout the Department. The Under Secretary shall also be responsible for the following:

(A) Ensuring that components are in compliance with Federal law, Federal regulations, executive branch guidance, and Department policy (including associated guidance) relating to fleet management and use of vehicles from home to work.

(B) Developing and distributing a standardized vehicle allocation methodology and fleet management plan for components to use to determine optimal fleet size in accordance with paragraph (4).

(C) Ensuring that components formally document fleet management decisions.

(D) Approving component fleet management plans, vehicle leases, and vehicle acquisitions.

(2) **COMPONENT RESPONSIBILITIES.**—

(A) **IN GENERAL.**—Component heads—

(i) shall—

(I) comply with Federal law, Federal regulations, executive branch guidance, and Department policy (including associated guidance) relating to fleet management and use of vehicles from home to work;

(II) ensure that data related to fleet management is accurate and reliable;

(III) use such data to develop a vehicle allocation tool derived by using the standardized vehicle allocation methodology provided by the Under Secretary for Management to determine the optimal

fleet size for the next fiscal year and a fleet management plan; and

(IV) use vehicle allocation methodologies and fleet management plans to develop annual requests for funding to support vehicle fleets pursuant to paragraph (6); and

(ii) may not, except as provided in subparagraph (B), lease or acquire new vehicles or replace existing vehicles without prior approval from the Under Secretary for Management pursuant to paragraph (5)(B).

(B) EXCEPTION REGARDING CERTAIN LEASING AND ACQUISITIONS.—If exigent circumstances warrant such, a component head may lease or acquire a new vehicle or replace an existing vehicle without prior approval from the Under Secretary for Management. If under such exigent circumstances a component head so leases, acquires, or replaces a vehicle, such component head shall provide to the Under Secretary an explanation of such circumstances.

(3) ONGOING OVERSIGHT.—

(A) QUARTERLY MONITORING.—In accordance with paragraph (4), the Under Secretary for Management shall collect, on a quarterly basis, information regarding component vehicle fleets, including information on fleet size, composition, cost, and vehicle utilization.

(B) AUTOMATED INFORMATION.—The Under Secretary for Management shall seek to achieve a capability to collect, on a quarterly basis, automated information regarding component vehicle fleets, including the number of trips, miles driven, hours and days used, and the associated costs of such mileage for leased vehicles.

(C) MONITORING.—The Under Secretary for Management shall track and monitor component information provided pursuant to subparagraph (A) and, as appropriate, subparagraph (B), to ensure that component vehicle fleets are the optimal fleet size and cost effective. The Under Secretary shall use such information to inform the annual component fleet analyses referred to in paragraph (4).

(4) ANNUAL REVIEW OF COMPONENT FLEET ANALYSES.—

(A) IN GENERAL.—To determine the optimal fleet size and associated resources needed for each fiscal year beginning with fiscal year 2018, component heads shall annually submit to the Under Secretary for Management a vehicle allocation tool and fleet management plan using information described in paragraph (3)(A). Such tools and plans may be submitted in classified form if a component head determines that such is necessary to protect operations or mission requirements.

(B) VEHICLE ALLOCATION TOOL.—Component heads shall develop a vehicle allocation tool in accordance with subclause (III) of paragraph (2)(A)(i) that includes an analysis of the following:

(i) Vehicle utilization data, including the number of trips, miles driven, hours and days used, and the associated costs of such mileage for leased vehicles, in accordance with such paragraph.

(ii) The role of vehicle fleets in supporting mission requirements for each component.

(iii) Any other information determined relevant by such component heads.

(C) FLEET MANAGEMENT PLANS.—Component heads shall use information described in subparagraph (B) to develop a fleet management plan for each such component. Such fleet management plans shall include the following:

(i) A plan for how each such component may achieve optimal fleet size determined by the vehicle allocation tool required under such subparagraph, including the elimination of excess vehicles in accordance with paragraph (5), if applicable.

(ii) A cost benefit analysis supporting such plan.

(iii) A schedule each such component will follow to obtain optimal fleet size.

(iv) Any other information determined relevant by component heads.

(D) REVIEW.—The Under Secretary for Management shall review and make a determination on the results of each component's vehicle allocation tool and fleet management plan under this paragraph to ensure each such component's vehicle fleets are the optimal fleet size and that components are in compliance with applicable Federal law, Federal regulations, executive branch guidance, and Department policy (including associated guidance) pursuant to paragraph (2) relating to fleet management and use of vehicles from home to work. The Under Secretary shall use such tools and plans when reviewing annual component requests for vehicle fleet funding in accordance with paragraph (6).

(5) GUIDANCE TO DEVELOP FLEET MANAGEMENT PLANS.—The Under Secretary for Management shall provide guidance, pursuant to paragraph (1)(B) on how component heads may achieve optimal fleet size in accordance with paragraph (4), including processes for the following:

(A) Leasing or acquiring additional vehicles or replacing existing vehicles, if determined necessary.

(B) Disposing of excess vehicles that the Under Secretary determines should not be reallocated under subparagraph (C).

(C) Reallocating excess vehicles to other components that may need temporary or long-term use of additional vehicles.

(6) ANNUAL REVIEW OF VEHICLE FLEET FUNDING REQUESTS.—As part of the annual budget process, the Under Secretary for Management shall review and make determinations regarding annual component requests for funding for vehicle fleets. If component heads have not taken steps in furtherance of achieving optimal fleet size in the prior fiscal year pursuant to paragraphs (4) and (5), the Under Secretary shall provide rescission recommendations to the Committee on Appropriations and the Committee on Homeland Security of the House of Representatives and the Committee on Appropriations and the

Committee on Homeland Security and Governmental Affairs of the Senate regarding such component vehicle fleets.

(7) ACCOUNTABILITY FOR VEHICLE FLEET MANAGEMENT.—

(A) PROHIBITION ON CERTAIN NEW VEHICLE LEASES AND ACQUISITIONS.—The Under Secretary for Management and component heads may not approve in any fiscal year beginning with fiscal year 2019 a vehicle lease, acquisition, or replacement request if such component heads did not comply in the prior fiscal year with paragraph (4).

(B) PROHIBITION ON CERTAIN PERFORMANCE COMPENSATION.—No Department official with vehicle fleet management responsibilities may receive annual performance compensation in pay in any fiscal year beginning with fiscal year 2019 if such official did not comply in the prior fiscal year with paragraph (4).

(C) PROHIBITION ON CERTAIN CAR SERVICES.—Notwithstanding any other provision of law, no senior executive service official of the Department whose office has a vehicle fleet may receive access to a car service in any fiscal year beginning with fiscal year 2019 if such official did not comply in the prior fiscal year with paragraph (4).

(8) MOTOR POOL.—

(A) IN GENERAL.—The Under Secretary for Management may determine the feasibility of operating a vehicle motor pool to permit components to share vehicles as necessary to support mission requirements to reduce the number of excess vehicles in the Department.

(B) REQUIREMENTS.—The determination of feasibility of operating a vehicle motor pool under subparagraph (A) shall—

(i) include—

(I) regions in the United States in which multiple components with vehicle fleets are located in proximity to one another, or a significant number of employees with authorization to use vehicles are located; and

(II) law enforcement vehicles;

(ii) cover the National Capital Region; and

(iii) take into account different mission requirements.

(C) REPORT.—The Secretary shall include in the Department's next annual performance report required under current law the results of the determination under this paragraph.

(9) DEFINITIONS.—In this subsection:

(A) COMPONENT HEAD.—The term “component head” means the head of any component of the Department with a vehicle fleet.

(B) EXCESS VEHICLE.—The term “excess vehicle” means any vehicle that is not essential to support mission requirements of a component.

(C) OPTIMAL FLEET SIZE.—The term “optimal fleet size” means, with respect to a particular component, the appropriate number of vehicles to support mission requirements of such component.

(D) VEHICLE FLEET.—The term “vehicle fleet” means all owned, commercially leased, or Government-leased vehicles of the Department or of a component of the Department, as the case may be, including vehicles used for law enforcement and other purposes.

(d) APPOINTMENT AND EVALUATION.—The Under Secretary for Management shall—

(1) be appointed by the President, by and with the advice and consent of the Senate, from among persons who have—

(A) extensive executive level leadership and management experience in the public or private sector;

(B) strong leadership skills;

(C) a demonstrated ability to manage large and complex organizations; and

(D) a proven record in achieving positive operational results;

(2) enter into an annual performance agreement with the Secretary that shall set forth measurable individual and organizational goals; and

(3) be subject to an annual performance evaluation by the Secretary, who shall determine as part of each such evaluation whether the Under Secretary for Management has made satisfactory progress toward achieving the goals set out in the performance agreement required under paragraph (2).

(e) SYSTEM FOR AWARD MANAGEMENT CONSULTATION.—The Under Secretary for Management shall require that all Department contracting and grant officials consult the System for Award Management (or successor system) as maintained by the General Services Administration prior to awarding a contract or grant or entering into other transactions to ascertain whether the selected contractor is excluded from receiving Federal contracts, certain subcontracts, and certain types of Federal financial and non-financial assistance and benefits.

[(e) INTEROPERABLE COMMUNICATIONS DEFINED.—In this section, the term “interoperable communications” has the meaning given that term in section 7303(g) of the Intelligence Reform and Terrorism Prevention Act of 2004 (6 U.S.C. 194(g)).]

(f) DEFINITIONS.—In this section:

(1) INTEROPERABLE COMMUNICATIONS.—The term “interoperable communications” has the meaning given such term in section 7303(g) of the Intelligence Reform and Terrorism Prevention Act of 2004 (6 U.S.C. 194(g)).

(2) SENSITIVE ASSETS.—The term “sensitive assets” means any asset, regardless of value—

(A) that the Department of Homeland Security issues to a Department employee; and

(B) that either the Under Secretary for Management of the Department or a component head determines requires special control and accounting.

* * * * *