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Coast Guard takes control from Deepwater's integrators

 By Chris Strohm | *CongressDaily* | March 3, 2010

The Coast Guard has taken full control of developing a new flagship vessel from an embattled industry team and is determined to stay on schedule and keep costs from skyrocketing, a senior [Homeland Security](#) official told House lawmakers Tuesday.

The transition marks the end of the Homeland Security Department's reliance on a team headed by Lockheed Martin and Northrop Grumman as "lead systems integrators," coordinating development of the fourth national security cutter under the Coast Guard's Deepwater recapitalization plan, said Deputy Homeland Security Secretary Jane Holl Lute.

She told a House Homeland Security Appropriations Subcommittee hearing that the department has reorganized its acquisition review process to better manage major procurements.

The intention, she said, is to address Government Accountability Office findings that the department lacked the involvement of senior leadership in major procurement efforts.

House Homeland Security Appropriations Subcommittee Chairman David Price, D-N.C., and ranking member Hal Rogers, R-Ky., said Deepwater represents a major federal acquisition program that went astray.

Integrated Coast Guard Systems, a joint venture of Lockheed Martin and Northrop Grumman, was awarded the Deepwater program contract in June 2002. After heavily publicized cost overruns, schedule delays and design problems, the Coast Guard began to take over more responsibility for the program.




"The Coast Guard now has two of these vessels, but problems were identified with the design that would shorten the service life of these ships, costs have escalated significantly, and the production timetable has slipped," Price said.

"While supporters of the program say the vessels are extremely capable, critics have charged that the Deepwater acquisition process was more focused on the contractors designing a profitable ship instead of giving the Coast Guard what it needed to accomplish its missions," Price added.

Lute said Homeland Security previously relied on an acquisition process modeled after the Defense Department.

"However, as DHS acquisition is generally focused on service and information technology programs, we revised the acquisition review process to match our needs, effectively queuing programs for leadership review and decision based on milestones and risk management," she said in written testimony.

"This review process provides a clear insight into each program's overall

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performance and controls related to cost, schedule and contract performance. It allows us to make a risk assessment for each major program and then take appropriate actions to mitigate risk and align our resources," she added.

The department is seeking about \$540 million in its fiscal 2011 budget request for a fifth national security cutter. But the department has yet to give appropriators an expenditure plan for the Deepwater program.

Rogers said he would not vote in favor of Deepwater funding until the expenditure plan is submitted.

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Mr. Del Giorro, Thank you from the bottom of my heart and from all the true and loyal Americans who believe in RIGHT. You are a Blessing to our society and I hope when you meet your maker you will be rewarded richly for your honesty and integrity.

Ann | Posted March 9, 2010 | 2:59 PM

I was the Manager of the Electronics/General Inventory Control Point (Formerly out of Brooklyn, N.Y. Our system was practically perfect and we supported all newly acquired vessels and shore Navigation Stations for the entire Coast Guard. The Inventory Control Point for vessels supply in Baltimore was derided and underperformed. Of course they moved the good into the bad and merged us into the Ships system in Baltimore. Deepwater was just in the early formation and I vigorously opposed it and after 46 years as the Coast Guard's lead logistician I was in a position that I had to retire or get a heart attack because I was classified as an obstructionist by the military, civilian, and especially the "consulting firms" supporting Deepwater which I knew from experience with the 378 Overhaul, the 270's and smaller projects where the Coast Guard used many consultants for studies which later had to be studied. I received awards from three different Commandants and was directly responsible for numerous unit citations for logistics, but no one wanted to hear me saying that Deepwater was destined to be a disaster. I wrote many E-mails and letters but the "Lead Integrators" knew me with my love for the Coast Guard and creation of the Integrated Supply System and some of the higher ups in the project actually became "me" to get their lead positions. Sour grapes - no. I felt and still do agree with the present position to bring back the Deepwater project into the Coast Guard and rely on the many fine officers and civilians we have with years of experience instead of hiring "consultants", integrators and eventually would have run the Coast Guard. Praises to the people who made the decision to take over the project and do it right. I can be reached any time for my advice to wave the Red Flag on some of the contracts being considered which did not pass the smell test. (For Free). I am old but have all my marbles and still 100% for the Coast Guard mission and performance except when they farm it out to many retreat ex-military and civilian who purport to be experts. JohnJDelGiorno

John J. Del Giorno | Posted March 4, 2010 | 3:47 PM

The coast guard just needs to say we can't do it and turn the whole project over to the Navy. They have too many CS working there and they have no idea what they are doing

dan ketter | Posted March 4, 2010 | 1:22 PM

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