

**S. 1009, Homeland Procurement Reform Act**

As ordered reported by the Senate Committee on Homeland Security and Governmental Affairs on July 14, 2021

By Fiscal Year, Millions of Dollars	2023	2023-2027	2023-2032
Direct Spending (Outlays)	0	0	0
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	0	0	0
Spending Subject to Appropriation (Outlays)	0	54	not estimated
Statutory pay-as-you-go procedures apply?	No	<b>Mandate Effects</b>	
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2033?	No	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No

S. 1009 would require, to the extent possible, that no less than one-third of the funds the Department of Homeland Security (DHS) obligates annually for procuring uniforms and certain protective gear be spent for contracts with domestic small business manufacturers. That provision would apply to contracts signed six months after the bill’s enactment for select DHS component units. S. 1009 also contains several reporting requirements, including an annual briefing to the Congress and studies on the adequacy of uniform allowances and ways to bolster domestic procurement.

Currently, DHS sources its uniforms under a contract that will expire in January 2027. Based on information from DHS, the agency obligates funds when items are ordered and outlays them when they are delivered, usually within 90 days.

The affected agencies, including Customs and Border Protection, the U.S. Coast Guard, the Transportation Security Administration, and the Federal Emergency Management Agency, currently spend \$100 million on 1,500 items annually under the contract, which covers the majority of items subject to the bill’s requirements. Using information from DHS, CBO expects that it would need to procure 150 of those items from new sources to meet the bill’s requirements.

Using information from DHS regarding its current uniform contract, CBO estimates that each item that is re-sourced from domestic small business manufacturers would cost about



100 percent more. That includes a change fee, which is required under the current contract, and additional costs from the item being sourced from a domestic small business manufacturer. In conversations with CBO, DHS indicated that it could take several years to re-source items due to prototype development and testing. Based on this information, CBO anticipates that DHS would gradually procure items from domestic small business manufacturers beginning in fiscal year 2025.

In total, CBO estimates that re-sourcing uniforms to meet S. 1009’s requirements would increase spending by \$54 million over the 2023-2027 period. Such spending would be subject to the availability of appropriated funds.

The specified agencies currently spend \$12 million annually on protective equipment, all of which is manufactured domestically. Based on this information, CBO assumes that DHS already complies with the protective equipment requirements in S. 1009 and that implementing the bill would not increase the cost of procuring these items.

Based on the cost of reports similar to those required by the bill, CBO estimates that it would cost DHS less than \$500,000 over the 2023-2027 period to annually brief the Congress and produce the required studies; such spending would be subject to the availability of appropriated funds.

The costs of the legislation, detailed in Table 1, fall within budget functions 750 (administration of justice), 450 (community regional development), and 400 (transportation).

**Table 1.  
Estimated Increases in Spending Subject to Appropriation Under S. 1009**

	By Fiscal Year, Millions of Dollars					2023-2027
	2023	2024	2025	2026	2027	
Estimated Authorization	0	0	13	23	20	56
Estimated Outlays	0	0	12	22	20	54

S. 1009 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

On November 12, 2021, CBO transmitted a [cost estimate for H.R. 2915](#), the Homeland Procurement Reform Act, as ordered reported by the House Committee on Homeland Security on October 5, 2021. The Senate bill would require that one-third of the funds DHS obligates annually for uniforms and protective gear for certain agencies to come from manufacturers that are small business. The House bill would require one-third of those obligations to come from both manufacturers and suppliers. DHS indicated that it is currently in compliance with the House bill’s procurement provision because a large percentage of its uniforms and protective gear already come from suppliers that are domestic small



businesses. However, the exclusion of suppliers in the Senate bill would require DHS to re-source 150 items from domestic small business manufacturers at a higher cost. In addition, CBO's estimate for H.R. 2195 assumed a different enactment date than S. 1009.

The CBO staff contact for this estimate is Jeremy Crimm. The estimate was reviewed by Leo Lex, Deputy Director of Budget Analysis.