

ACQUISITION MANAGEMENT DIRECTIVE

I. Purpose

This Directive provides the overall policy and structure for acquisition management within the Department of Homeland Security (DHS) and establishes the Department's Acquisition Lifecycle Framework (ALF), Acquisition Review Process (ARP), and Acquisition Review Board (ARB).

In addition, this Directive provides additional management procedures and responsibilities augmenting existing policies, regulations, and statutes. Components retain the authority to set internal acquisition management processes and procedures consistent with the spirit and intent of this Directive.

II. Scope

This Directive is applicable throughout DHS, with the exception of the Office of Inspector General. This Directive applies to all current and future acquisitions and services, including capabilities provided through Interagency Agreements (IAAs) and Intergovernmental Agreements (IGAs). Management Directive (MD) 102-01 Revisions 01 and 02, and Amendment 1 Acquisition Management Directive, are hereby superseded.

III. Authorities

- A. Title 6, United States Code (U.S.C.), Section 341, "Under Secretary for Management", and Section 181, "Under Secretary for Science and Technology"
- B. Title 6, U.S.C., Sections 182, 188, "Responsibilities and Authorities of the Under Secretary for Science and Technology," and "Conduct of Research, Development, Testing and Evaluation"
- C. Title 41, U.S.C., Section 131, "Acquisition"
- D. Title 41, U.S.C., Section 1702, "Chief Acquisition Officers and senior procurement executives"
- E. DHS Delegation 00701, Delegation to the Chief Acquisition Officer, May 29, 2012; and Delegation 0704, Delegation to the Executive Director, Office of Program Accountability and Risk Management, June 11, 2012
- F. Secretary Johnson Memorandum for DHS Leadership, "Strengthening

Departmental Unity of Effort", April 22, 2014

G. Secretary Johnson Memorandum for DHS Leadership, "DHS Joint Requirements Council", June 26, 2014

IV. Responsibilities

A. The **Chief Acquisition Officer (CAO)** exercises overall management, administration, and oversight of the Department's acquisition policies and procedures. The CAO responsibilities include, but are not limited to:

1. Managing the direction of acquisition policy for DHS, including implementation of acquisition policies, regulations, and standards;
2. Serving as the Acquisition Decision Authority (ADA), for Level 1, Level 2, and other specified acquisitions;
3. Designating Component Acquisition Executives (CAEs); and
4. Chartering and designating the chair and membership of Executive Steering Committees (ESCs) when established for major acquisitions.

B. **Component Heads** nominate the CAE to oversee Component acquisition management in accordance with Department policies and procedures and ensure sound management, review, support, approval, and oversight of all acquisition types within their respective organizations.

C. The **Under Secretary for Science and Technology (USST)** provides scientific, engineering, and analytical support for strategic acquisition investments and resource decisions including:

1. Supporting the assessment of programmatic requirements, and alternatives;
2. Supporting the Department's acquisition process, particularly with regard to requirements development, analytic processes, use of standards, systems engineering, and technology readiness; and
3. The USST Director, Operational Test and Evaluation develops and prescribes test and evaluation policy and processes, provides Operational Test and Evaluation oversight within the Department, and is a member of the ARB providing an independent assessment of test and evaluation progress and status for DHS acquisition programs.

D. The **Assistant Secretary for Policy** supports acquisition and management via the DHS Strategic Requirements Planning Process, develops Integrated Planning Guidance, and ensures acquisitions support the DHS Quadrennial Homeland Security Review Report, the DHS Strategic Plan, and other appropriate successor documents.

E. The **Acquisition Decision Authority** is the official for each acquisition who is responsible for ensuring compliance with this Directive by reviewing and approving the movement of acquisitions through ALF phases after they meet the applicable criteria established in the implementing Instruction to this Directive.

F. **DHS Line of Business Chiefs** responsibilities are established in accordance with applicable law, delegation letters, and as appropriate within this Directive's implementing Instructions, manuals, guidebooks, and/or equivalent. These chiefs are members of the ARB and include, but are not limited to, the DHS Chief Financial Officer, the Chief Information Officer, the Chief Procurement Officer, Chief Human Capital Officer, Chief Security Officer, and the Chief Readiness Support Officer.

G. **The Component Acquisition Executive** is, excluding when the CAE resides in the Department's Management Directorate, the Component's senior acquisition official. The senior acquisition official in the Department's Management Directorate is the CAO. The CAE is responsible for implementation, management, and oversight of the Component's acquisition processes and as appropriate coordinating those processes with contracting and procurement processes established by the Head of Contracting Activity. Other CAE responsibilities are as set forth per the CAE Designation Memorandum and as described in the implementing Instructions to this Directive.

H. The **Executive Director, Office of Program Accountability and Risk Management (PARM)**, as delegated by the CAO, manages DHS-wide acquisition program policy, governance and oversight. Principal duties include;

1. Developing and maintaining acquisition program management policy, procedures, and guidance processes;
2. Monitoring the CAE structure to assess adequacy of staffing compliance with Departmental policies and instructions;
3. Advising and providing requirements to the Department Acquisition Career Manager on certification standards for all acquisition program management disciplines;
4. Providing technical support and assistance to Department acquisitions and acquisition personnel;
5. Serving as the DHS executive agent, ARP coordinator and ARB Executive Secretariat with approval authority on selected acquisition documentation; and
6. Overseeing the Department's acquisition program portfolio to monitor each investment's cost, schedule, and performance targets.

I. An **Executive Steering Committee (ESC)** may be established by the CAO to provide support and guidance to major acquisitions between Acquisition Decision Events (ADE).

J. The **DHS Joint Requirements Council (JRC)** provides oversight of the DHS requirements generation process, harmonizes efforts across the Department, and makes prioritized recommendations to the Deputies Management Action Group (DMAG) for those validated requirements.

V. Policy and Requirements

A. Acquisition Lifecycle Framework (ALF)

DHS has adopted the ALF to assure consistent and efficient acquisition management, support, review, and approval throughout the Department. The ALF applies to the acquisition of capital assets, service contracts, IAAs and IGAs. The ALF interlinks the Department's requirements process (in coordination with JRC/DMAG), the resourcing process, (i.e., Planning, Programming, Budgeting, and Execution) and other processes such as systems engineering and enterprise architecture. The ALF is a four-phase process through which a program progresses in order to deliver or field a new product or capability. The four phases, as shown in Figure 1, are: 1) *Need*, 2) *Analyze & Select*, 3) *Obtain*, and 4) *Produce/Deploy, Support and Dispose*.

The progression through the phases includes Acquisition Decision Events (ADEs) where the ADA decides whether the proposed acquisition meets certain requirements necessary to move on to the next phase. The ALF process is detailed in an implementing Instruction accompanying this Directive. These documents collectively serve as the Department's primary acquisition processes.

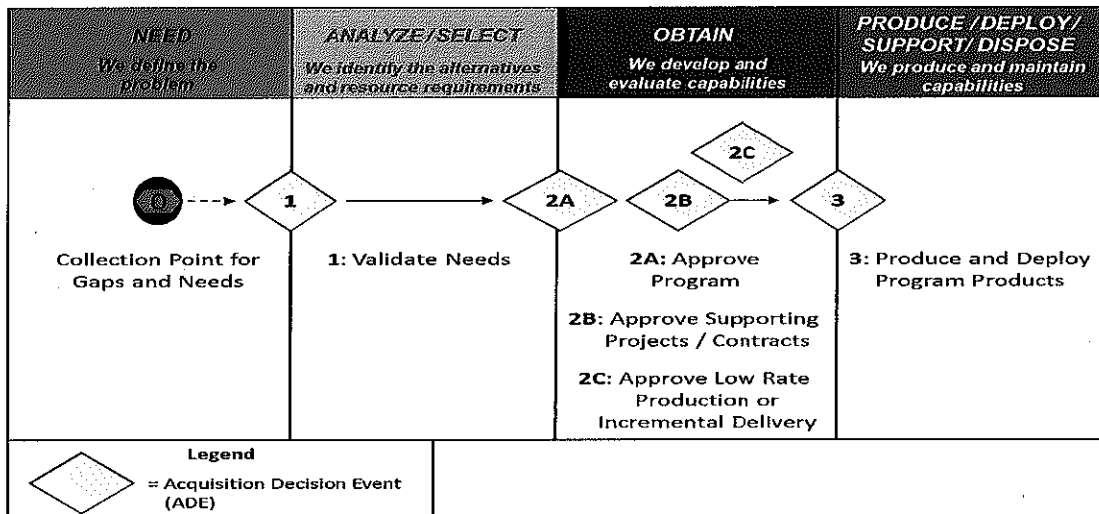


Figure 1. The DHS Acquisition Lifecycle Framework

B. Acquisition Review Board and the Acquisition Review Process

With respect to acquisitions, the ARB oversees executable business strategy, resources, management, accountability, and alignment to strategic initiatives. The ARB supports the ADA in determining the appropriate direction for an acquisition at the ADEs. ADA approval at each ADE is required for an acquisition to proceed to the next phase in the acquisition lifecycle.

The Acquisition Review Process is followed to prepare for an ARB and to ensure appropriate implementation of the decisions made at the ARB. At the outset of the acquisition lifecycle, PARM works with Department stakeholders, the PM for the acquisition, and the Component's CAE organization to identify the key acquisition decisions to be made and the critical issues to be resolved.

C. Acquisition Levels and the Acquisition Decision Authority

The CAO classifies acquisitions into different levels (Major and Non-major), which determine the extent and scope of required project and program management, as well as the specific official who serves as the ADA. Levels are determined by the lifecycle cost of the program. The different acquisition levels, dollar thresholds, and ADA are detailed in this Directive's implementing Instruction.

An acquisition program/project may be raised to a higher acquisition level by the CAO if (a) its importance to DHS's strategic and performance plans is disproportionate to its size; (b) it has high executive visibility; (c) it impacts more than one DHS Component; (d) it has significant program or policy implications; or (e) the Deputy Secretary, CAO, or ADA otherwise recommends an increase to a higher acquisition level.

D. Reporting Requirements

All acquisitions are to comply with the necessary DHS periodic reporting process for their acquisition level as described in the implementing Instruction to this Directive.

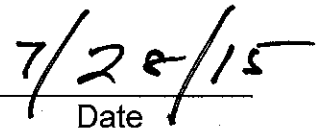
VI. Questions

Address any questions or concerns regarding this Directive to the Executive Director, PARM.



Russell C. Deyo

Under Secretary for Management



Date