

## **PORTFOLIO MANAGEMENT**

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### **I. Purpose**

This Directive establishes the Department of Homeland Security (DHS) responsibilities and policies for the management of information technology (IT) investments using portfolio management processes, methodologies, and techniques.

### **II. Scope**

- A. This Directive applies throughout DHS.
- B. This cancels and supersedes the Addendum A, "Information Technology Portfolio Management" within Management Directive 0007.1, "Information Technology Integration and Management."

### **III. Authorities**

- A. Public Law 107-347, "E-Government Act of 2002"
- B. Title 40, United States Code (U.S.C.), Section 11302, "Capital Planning and Investment Control"
- C. Title 40, U.S.C., Section 11303, "Performance-based and Results-based Management"
- D. Office of Management and Budget (OMB) Circular A-130, "Management of Federal Information Resources"
- E. DHS Delegation 04000, "Delegation for Information Technology"
- F. DHS Directive 142-02, "Information Technology Integration and Management"

## IV. Responsibilities

- A. The **DHS Chief Information Officer (CIO)**:
1. Directs and oversees the implementation of IT Portfolio Management processes;
  2. Establishes repeatable IT portfolio management processes, including supporting governance structure(s), consistent with the policies contained herein; and
  3. Ensures that risks are managed consistently across the Department.
- B. The **DHS CIO Council** facilitates coordination among designated IT portfolio managers and programs.
- C. The **Component Heads** ensure the Component participates in the execution of the IT portfolio management process.
- D. The **Component Chief Information Officers**:
1. Facilitate coordination among designated portfolio managers and their Component IT programs as required by IT portfolio management processes; and
  2. Ensure that DHS IT portfolio management processes are implemented.
- E. The **DHS Portfolio Managers**:
1. Apply the DHS IT Portfolio Management processes established by the DHS CIO;
  2. Provide oversight of investments within portfolio;
  3. Support IT budget formulation;
  4. Review IT acquisitions and performance;
  5. Support the development and implementation of Enterprise Architecture targets and transition plans for their respective portfolio;

6. Advocate for their Component and represent their equities when appropriate; and
7. Provide outreach to and coordinate with Components to maximize joint capabilities and efficiencies across portfolios.

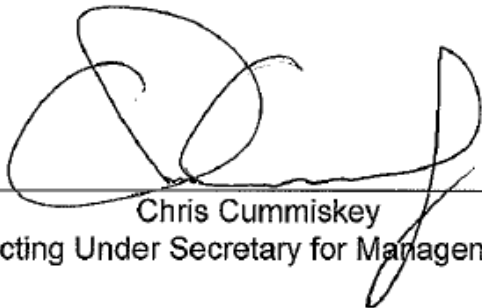
## V. Policy and Requirements

- A. IT investments are managed as portfolios:
  1. Ensuring that risks, cost, and program/project schedules are managed consistently across the Department, while supporting the Department's vision, mission, and goals;
  2. Ensuring efficient and effective delivery of capabilities to DHS employees; and
  3. Maximizing return on investment to the Department.
- B. The following define the portfolio criteria.
  1. **Analysis**. Links portfolio objectives to the Department's vision, mission, goals, objectives, and priorities; develops quantifiable outcome-based performance measures; identifies capability gaps, opportunities, and redundancies; identifies risks; tracks cost and program/project schedules; and provides for continuous process improvement.
  2. **Selection**. Identifies and selects the best combination of IT investments to strengthen and achieve capability goals and objectives for the portfolio and demonstrates the impact of alternative IT investment strategies and funding levels.
  3. **Control**. Ensures a portfolio is managed and monitored using established quantifiable outcome-based performance measures. Portfolios are monitored and evaluated against portfolio performance measures to determine whether to recommend continuation, modification, or termination of individual investments within the portfolio.
  4. **Evaluation**. Measures actual contributions of the portfolio against established outcome-based performance measures to determine improved capability as well as to support adjustments to the mix of portfolio investments, as necessary.

C. Portfolios are managed with the focus on driving efficiency and effectiveness in supporting the missions and business of DHS.

## VI. Questions

Address any questions or concerns regarding this Directive to the Office of the Chief Information Officer.



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Chris Cumiskey  
Acting Under Secretary for Management

6/5/14  
Date