

HOMELAND SECURITY ACQUISITION MANUAL

DEPARTMENT OF HOMELAND SECURITY REVISIONS TO MULTIPLE HSAM CHAPTERS

This HSAM Notice is being transmitted to all DHS Heads of the Contracting Activities and Acquisition Leads. PLEASE DISSEMINATE TO WIDEST POSSIBLE AUDIENCE - ACQUISITION STAFF, FINANCIAL PERSONNEL, CUSTOMERS, PURCHASE CARDHOLDERS, ETC.

Introduction: This notice provides revisions to Homeland Security Acquisition Manual (HSAM) as follows:

- **Chapter 3001-Federal Acquisition System, Appendix A-Heads of the Contracting Activities:** Revises the class deviation submittal procedures at 3001.404 to clarify that the DHS OCPO, Director of Strategic Initiatives receives these requests. Updates several Head of the Contracting Activity (HCA) position titles in Appendix A, Heads of the Contracting Activities.
- **Chapter 3004-Administrative Matters:** Adds a new subchapter 3004.502-70 on Acquisition-related systems regarding user accounts. Includes new guidance and HCA responsibilities as a result of the recent Office of Procurement Policy (OFPP) requirements for validation and verification of Federal Procurement Data System-Next Generation (FPDS-NG) contract reporting at 3004.601. Adds the U.S. Citizenship and Immigration Services to the list of authorized offices at 3004.602-7101 and establishes the requirement for Components to notify the DHS OCPO, Chief, Acquisition Systems Branch of their two-digit unique identifying code in positions five and six for suborganizations under their cognizance.
- **Chapter 3007-Acquisition Planning:** Amends the DHS Acquisition Planning (AP) Guide, Appendix A to remove all content regarding AP templates for acquisition types and the “Part III, Templates” section in its entirety.
- **Chapter 3009-Contractor Qualifications:** Amends 3009.5, Organizational and Consultant Conflicts of Interest to include implementation of Sec 6405, The U.S. Troop Readiness, Veterans' Care, Katrina Recovery, and Iraq Accountability Appropriations Act, 2007, Pub. L.110-28. The new Lead System Integrators (LSIs) sections at 3009.501 and 3009.570 provide definitions, policies, prohibitions and waiver processes for entities having a financial interest in elements of systems. Modifies HSAM 3009.503 content to include that the waiver authority does not extend to limitations on LSIs.

This notice is issued in accordance with HSAM 3001.301-70(a). The changes are integrated into the electronic HSAM version at www.dhs.gov and DHS Online. The specific HSAM changes are identified in highlighted text as follows:

CHAPTER 3001 - FEDERAL ACQUISITION REGULATIONS SYSTEM

(1) Subchapter 3001.4 is revised to read:

Subchapter 3001.4 Deviations from the FAR, HSAR, and HSAM

3001.404 Class deviations.

(a) The CPO is authorized to approve class deviations unless [\(FAR\) 48 CFR 1.405\(e\)](#) is applicable. Requests for class deviations to the FAR, HSAR, and this manual shall be endorsed by the HCA before submitting the request to the **DHS OCPO, Director of Strategic Initiatives for processing and approval by the CPO.** Submit all requests using the format at HSAM Subchapter 3001.403.

(2) Suggested changes to the FAR, HSAR, and this manual should be **transmitted to the DHS OCPO, Director of Strategic Initiatives, after review and approval of the HCA requesting the change.** FAR recommended changes determined appropriate by the CPO will be forwarded to the Civilian Agency Acquisition Council.

(2) Chapter 3001, Appendix A, Heads of the Contracting Activities, is revised to read:

| | |
|---------|--|
| CBP | Executive Director, Procurement; and Director, SBI Acquisition Office. |
| ICE | Director, Office of Acquisition Management |
| DHS OPO | Chief, Office of Procurement Operations |
| FEMA | Director, Office of Acquisition Management. |
| FLETC | Director, Procurement Division |
| TSA | Deputy Assistant Administrator for Acquisition |
| USCG | Deputy Assistant Commandant for Acquisition (G-A) |
| USSS | Chief, Procurement Division |

CHAPTER 3004 - ADMINISTRATIVE MATTERS

(3) Subchapter 3004.5 is revised to read:

Subchapter 3004.5 Electronic Commerce in Contracting

3004.502 Policy.

(b) The Chief Procurement Officer (CPO) is delegated, after consulting with the Administrator of Office of Federal Procurement Policy (OFPP), to ensure that information systems, technologies, procedures, and processes used by the Department of Homeland Security to conduct electronic commerce --

(1) Are implemented uniformly throughout the agency, to the maximum extent practicable;

(2) Facilitate access to Government acquisition opportunities by small business concerns, HUBZone, Service Disabled Veteran Owned small business concerns, small disadvantaged business concerns, and women-owned small business concerns;

(3) Include a means of providing widespread public notice of acquisition opportunities through the single, Government-wide point of entry and a means of responding to notices or solicitations electronically; and

(4) Comply with nationally and internationally recognized standards that broaden interoperability and ease the electronic interchange of information, such as standards established by the National Institute of Standards and Technology.

(c) The CPO must ensure that the agency systems are capable of ensuring authentication and confidentiality commensurate with the risk and magnitude of the harm from loss, misuse, or unauthorized access to or modification of the information, before using electronic commerce.

3004.502-70 Acquisition-Related Systems

3004.502-7000 User Account Maintenance responsibilities for Acquisition-related systems.

It is the responsibility of the DHS Acquisition Systems Governance Board representative to ensure that user accounts in acquisition-related systems are promptly terminated upon the resignation or reassignment of users within their respective organization.

(4) Subchapter 3004.601 is revised to read:

Subchapter 3004.6 Contract Reporting

3004.601 Record requirements.

(a) All DHS Components are required to report contract/procurement actions, with the exception of purchase card transactions (however, see the requirements of HSAM 3004.602(c)(1), directly to Federal Procurement Data System-Next Generation (FPDS-NG). The FPDS-NG, which is operated, updated and maintained by the General Services Administration (GSA), meets the requirements of [\(FAR\) 48 CFR 4.601](#) and also has the capability to generate query reports. The FPDS-NG collects and reports data on all reportable procurement actions. The FPDS-NG is the primary source of procurement data from DHS contracting offices. All data submitted to FPDS-NG by DHS Components shall be subject to verification and validation by the CPO. When requested by the CPO, the HCAs for each Component are responsible for submitting an annual confirmation that the FPDS-NG data has been reviewed for completeness and accuracy. The confirmation shall be accompanied by a statement describing, as a minimum:

(1) the methods used to review the data;

(2) any actions taken to correct data previously submitted; and

(3) measures implemented for process improvement, such as training and periodic internal reviews.

(b) All contract actions shall be entered in the FPDS-NG within 3 calendar days of the date of obligation for the action, unless otherwise required or directed by the FAR.

(1) Each DHS contracting officer is responsible for timely and accurate reporting of data to FPDS-NG.

(2) A completed printed version of the information entered into FPDS-NG for each action shall be included in the contract file. FPDS-NG shall also be included as a "Contract File Checklist" item for all contract actions, regardless of dollar value, in accordance with Components' standard operating procedures.

(f) Agency transmission procedures are identified in subparagraphs (a) and (b).

(5) Subchapter 3004.602 is revised to read:

3004.602-7101 Procurement Instrument Identifiers (PIIDs).

(a) Elements of the PIID. The PIID shall consist primarily of 13 to 15 alphanumeric

characters. (Dashes may be used at the discretion of the Component by inserting the dashes between: positions six and seven; positions eight and nine; and positions nine and ten.) The alphanumeric characters shall be positioned as follows:

(1) Positions one and two. A two-digit alphabetic code that identifies the procuring agency. This code shall always be "HS", which means the Department of Homeland Security.

(2) Positions three and four. A two-digit alphabetic code that identifies the Component within DHS:

| Positions 3 and 4 | DHS Components |
|--------------------------|--|
| BP | Customs and Border Protection |
| CE | U.S. Immigration and Customs Enforcement |
| CG | U.S. Coast Guard |
| FE | Federal Emergency Management Agency |
| FL | Federal Law Enforcement Training Center |
| HQ | DHS Office of Procurement Operations |
| SC | U.S. Citizenship and Immigration Services |
| SS | U.S. Secret Service |
| TS | Transportation Security Administration |

(3) Positions five and six. A two-digit **unique** alphanumeric or alpha code that identifies the sub organization/contracting office of the Component that issued the procurement instrument. **See subparagraph (b) of this section for an example.** Each Component will assign and maintain the two-digit unique suborganization/contracting office codes (positions five and six). **Each Acquisition Systems Governance Board representative is responsible for providing the Components' assigned office codes list and any changes to the DHS OCPO, Chief, Acquisition Systems Branch, within ten days of the code creation or change.**

CHAPTER 3007 – ACQUISITION PLANNING

(6) DHS ACQUISITION PLANNING GUIDE, Appendix A (September 2006 version), Introduction, is revised to read:

Introduction

This document covers only how to plan acquisitions to meet program requirements; it does not provide guidance on program planning. This document is written in three parts. Part I is general information about acquisition planning. Part II provides detailed narrative information on the contents required in an AP and how to prepare an AP. **The last section of this Guide is the Glossary, which defines the terms and acronyms used in this document.**

(7) DHS ACQUISITION PLANNING GUIDE, Appendix A (September 2006 version), Part I – Overview of the Acquisition Planning Process, Paragraphs 1.7 are revised to read:

1.7 How long does an Acquisition Plan take to be reviewed by OCPO?

Acquisitions plans requiring OCPO review in accordance with HSAM 3007.103(h)(1)(i) should be submitted immediately after receiving formal program approval, but before HCA approval. In general, APs are reviewed by OCPO quickly when the submissions follow this guide, the acquisitions included in the AP are listed in the Advanced Acquisition Plan and where the Program is approved for the current milestone decision.

(8) DHS ACQUISITION PLANNING GUIDE, Appendix A (September 2006 version) Part III - Templates, is removed in its entirety.

(9) DHS ACQUISITION PLANNING GUIDE, Glossary (September 2006 version), is revised to remove the reference to the templates at “Acquisition Strategy”.

Acquisition Strategy means a document that includes: the proposed contract type, terms and conditions, and acquisition planning schedules; the feasibility of the requirement, including performance requirements, statements of work, and data requirements; the suitability of the proposal instructions and evaluation criteria, including the approach for assessing past performance information; and related program documents. (FAR 15.201). For Major Systems the Acquisition Strategy is the program manager’s overall plan for satisfying the mission need in the most effective, economical, and timely manner. The strategy shall be in writing and prepared in accordance with the requirements of FAR 7.1, (FAR 34.004) HSAR 3007 and HSAM 3007.

CHAPTER 3009 – CONTRACTOR QUALIFICATIONS

(10) Subchapter 3009.5 is revised to read:

3009.5 Organizational and Consultant Conflicts of Interest

3009.501 Definitions.

(a) Definitions. As required by Section 6405(d)(1) of Public Law 110-28, adapted from Section 805 of the 2006 National Defense Authorization Act, Public Law 109-163 and used in this subpart—

(1) "Lead system integrator" includes "lead system integrator with system responsibility" and "lead system integrator without system responsibility."

(2) "Lead system integrator with system responsibility" means a prime contractor for the development or production of a major system if the prime contractor is not expected at the time of award, as determined by the contracting officer, to perform a substantial portion of the work on the system and the major subsystems.

(3) "Lead system integrator without system responsibility" means a contractor under a contract for the procurement of services whose primary purpose is to perform acquisition functions closely associated with inherently governmental functions (see FAR 7.503(d)) with regard to the development or production of a major system.

(4) The phrase "substantial portion of the work," as used in the definition of "lead system integrator with system responsibility," may relate to the dollar value of the effort or to the criticality of the effort performed.

3009.503 Waiver.

The HCA is delegated authority under (FAR) 48 CFR 9.503, except that the waiver authority does not extend to limitations on Lead System Integrators (See HSAM 3009.570).

3009.570 Limitations on Lead System Integrators.

3009.570-1 Policy.

(a) Section 6405, of Public Law 110-28, the U.S. Troop Readiness, Veterans' Care, Katrina Recovery, and Iraq Accountability Appropriations Act, 2007, provides that, with respect to contracts entered into after July 1, 2007, and except as provided in subparagraph (b), no entity performing lead system integrator functions in the acquisition of a major system by the Department of Homeland Security (DHS) may have any direct financial interest in the development or construction of any individual system or element of any system of systems. (See HSAM 3009.501 for definitions.) At the time of award, the contracting officer shall determine whether the proposed contractor meets the definition of "lead system integrator."

(b) Exception.--An entity described in subparagraph (a) may have a direct financial interest in the development or construction of an individual system or element of a system of systems if--

(1) The Secretary of Homeland Security certifies to the Committees on Appropriations of the Senate and the House of Representatives, the Committee on Homeland Security of the House of Representatives, the Committee on Transportation and Infrastructure of the House of Representatives, the Committee on Homeland Security and Governmental Affairs of the Senate, and the Committee on

Commerce, Science and Transportation of the Senate that--

(i) The entity was selected by DHS as a contractor to develop or construct the system or element concerned through the use of competitive procedures, and where DHS took appropriate steps to prevent any organizational conflict of interest in the selection process; or

(ii) The entity was selected by a subcontractor to serve as a lower-tier subcontractor, through a process over which the entity exercised no control.

(c) CONSTRUCTION. --Nothing in this section shall be construed to preclude an entity described in subparagraph (a) from performing work necessary to integrate two or more individual systems or elements of a system of systems with each other.

3009.570-2 Procedures.

(a) When the acquisition strategy calls for use of a lead system integrator for a major system, the contracting officer shall address whether the offeror has a direct financial interest in the development or construction of an individual system or element of a system of systems when making the responsibility determination. The contracting officer shall consider all information regarding any such financial interests when making the responsibility determination.

(b) The offeror may be considered eligible for award of a contractor if it has no direct financial interest in development or construction of an individual system or element of systems.

(c) If the offeror has such a direct financial interest, the contracting officer may request an exception from the Secretary of Homeland Security. The request will be submitted, with supporting documentation, to the Office of the Chief Procurement Officer, Director of Strategic Initiatives, Department of Homeland Security. The Director of Strategic Initiatives will process the request through the Office of the Secretary of Homeland Security, and if approved, to the appropriate committees of Congress. The contracting officer's request must explain that --

(i) The entity was selected by DHS as a contractor to develop or construct the system or element concerned through the use of competitive procedures, and where DHS took appropriate steps to prevent any organizational conflict of interest in the selection process; or

(ii) The entity was selected by a subcontractor to serve as a lower-tier subcontractor, through a process over which the entity exercised no control.

