I. Purpose

This Directive implements the statutory and delegated authorities and responsibilities of the Department's Chief Procurement Officer (CPO), including authority and responsibility for leading, governing, integrating, and managing procurement activities throughout the Department of Homeland Security (DHS).

II. Scope

A. This Directive applies throughout DHS, with the exception of the Office of Inspector General.

B. This Directive replaces Directive 252-07, Procurement Line of Business Integration and Management.

C. Nothing in this directive impedes the statutory authority of the United States Secret Service under Title 18 United States Code (U.S.C.) §§ 3056 and 3056A.

III. Authorities


B. Title 31, U.S.C., Chapter 63, “Using Procurement Contracts and Grant and Cooperative Agreements”


D. Title 48, Code of Federal Regulations (C.F.R.), Chapter 1, Federal Acquisition Regulation

E. Title 48, C.F.R., Chapter 30, Department of Homeland Security, Homeland Security Acquisition Regulation

F. DHS Delegation 00002, Delegation to the Under Secretary for Management, dated May 29, 2012, or successor delegation
IV. Responsibilities

A. The **Under Secretary for Management** is the DHS Chief Acquisition Officer (CAO) and is responsible for the management, administration, and oversight of the Department’s acquisition functions in accordance with Title 41 U.S.C. § 1702. This includes functions pertaining to acquisition program management and the procurement of goods and services needed to fulfill the mission of DHS.

B. **Component Heads** are responsible and accountable for:

1. Adhering to the Department’s contracting policies and procedures and for recognizing their shared, related, and interdependent responsibility to collaborate and deliver effective and efficient capabilities throughout the Department in meeting mission requirements;

2. Supporting and implementing the annual procurement goals established in collaboration with the CPO;

3. Collaborating with the CPO, through the Component Head of Contracting Activity (HCA), and as applicable, the Component Acquisition Executive (CAE), and Chief Information Officer, to support the availability of resources for all federal and DHS-wide procurement initiatives such as strategic sourcing, industry communications, and acquisition workforce planning;

4. Seeking the HCA’s input in procurement related matters; and

5. Collaborating with and securing the CPO’s approval for the selection and organizational placement of each HCA within the Department and ensuring CPO participation in the periodic performance review of these individuals.\(^1\)

C. The **CPO** is the Senior Procurement Executive (SPE) and pursuant to 41 U.S.C. §1702 and §1703 is responsible for:

1. Exercising leadership and authority, to the extent delegated, over DHS contracting as defined in this Directive;

\(^1\) This process promotes the efficient designation of Component HCAs by ensuring the CPO approves an HCA candidate in advance of final selection rather than the CPO vetoing a candidate post selection.
2. Issuing policies, regulations, and implementing instructions, and is accountable to the CAO for the integrity, performance, and oversight of the DHS procurement function;

3. Serving as the Senior Advisor to the CAO on all procurement matters and serving as a voting member of the Acquisition Review Board pursuant to Directive 102-01, Acquisition Management Directive;

4. Delegating or retaining contracting authority, as appropriate;

5. Overseeing, through the Homeland Security Acquisition Institute, centralized acquisition workforce programs to include certification, training, and intern programs for the Department’s acquisition workforce, and advocating Component needs for training, certification, and procurement issues to the Federal Acquisition Institute and the Office of Federal Procurement Policy;

6. Serving as the Department’s business advisor and main liaison to industry on procurement-related issues by leading and providing advice and assistance to Department officials on industry engagement, acquisition policy and development of the acquisition workforce;

7. Authorizing and overseeing the use of Other Transactions (OT) authority for OTs entered into pursuant to Section 831 of the Homeland Security Act of 2002, PL 107-29 (Title 6 U.S.C §391) or as otherwise authorized by statute and delegated to the CPO;

8. Developing acquisition policy for and negotiating, awarding, and administering Partnership Intermediary Agreements issued pursuant to Title 15 U.S.C §3715 that involve the obligation of funds;

9. Promoting competition, performance based acquisitions, and small business utilization to the maximum extent practicable to include:
   a. Designating task/delivery order ombudsmen and the Department Competition Advocate;
   b. Supporting acquisition governance by ensuring that procurement strategies align with the intent of the program objectives; and
   c. Serving as the approval authority for major program (Level 1 and Level 2) acquisition plans.

10. Chairing the HCA Council and establishing and chairing various procurement councils and boards;
11. In collaboration with the relevant Component Head, and except as otherwise provided by law, the CPO retains approval authority over the organizational placement of Component contracting activities and the DHS-wide hiring of Component Heads of the Contracting Activities and other positions within the Procurement Line of Business (LOB) above GS-15 or equivalent or as set forth in implementing instructions. The CPO participates in the hiring and selection processes, and has approval authority for written performance objectives and annual performance evaluations:

a. For hiring and selection activities, Components:
   i. Submit the qualification standards, including knowledge, skills, and abilities or competencies needed for senior positions, to the CPO for review and approval;
   ii. Invite the CPO or their designee to participate in the interview process of the best qualified list of candidates; and
   iii. Secure CPO approval prior to extending a job offer.

b. For performance evaluations, upon request by the CPO, Components:
   i. Submit for consideration and input proposed performance objectives/standards and performance plans a minimum of five business days prior to sharing with the affected employee;
   ii. Secure CPO concurrence with proposed performance evaluations/appraisals, bonus or award recommendations, pay adjustments, and/or other forms of commendations; and
   iii. Confer with the CPO to resolve any substantive performance issues.

D. **CAE**: The CAE is responsible for implementing, managing, and overseeing Component's acquisition program management processes pursuant to Directive 102-01, Acquisition Management Directive, and, as appropriate, coordinating those processes with the procurement and contracting processes established by the HCA.

E. The **HCA** is the senior contracting official within the Component responsible, to the extent delegated, for management and oversight of all Component procurement functions.
The DHS HCA Council is responsible for providing senior leaders with advice and guidance on the state of contracting within DHS and supporting the CPO in improving the procurement function.

V. Policy and Requirements

A. The CPO is the Procurement LOB Chief who oversees, defines, and measures Department-wide contracting activities and directs the participation in the development of the Federal Acquisition Regulation (FAR), and the development, implementation, and oversight of the Homeland Security Acquisition Regulation, the Homeland Security Acquisition Manual, and other procurement policies and procedures, in accordance with the CAO’s policies and standards. The Office of the Chief Procurement Officer (OCPO) assists the CPO in carrying out these responsibilities.

B. The CPO assists the CAO in achieving functional integration related to procurement and contracting activities throughout the Department and is responsible for managing and evaluating the DHS-wide procurement function.

C. The Component Heads and HCAs share accountability for successful planning and implementation of procurement functional integration.

VI. Questions

Address any questions or concerns regarding this Directive to the OCPO.

Chip Fulghum
Acting Under Secretary for Management

Date
Appendix A. Glossary

A. **Acquisition**: As defined by FAR 2.101, acquisition means the acquiring by contract with appropriated funds of supplies or services (including construction) by and for the use of the Federal Government through purchase or lease, whether the supplies or services are already in existence or are to be created, developed, demonstrated, and evaluated. Acquisition begins at the point when agency needs are established and includes the description of requirements to satisfy agency needs, solicitation and selection of sources, award of contracts, contract financing, contract performance, contract administration, and those technical and management functions directly related to the process of fulfilling agency needs by contract. Pursuant to DHS Guidebook 102-01-003-01, DHS Management Lexicon Guidebook, Appendix A, acquisition includes the conceptualization, initiation, design, development, test, contracting, production, deployment, logistics support, modification, and disposal of systems, supplies, or services (including construction) to satisfy DHS needs. Acquisitions result from investment decisions, respond to approved requirements, align to strategic direction, and are guided by approved baselines. Acquisition does not include establishment of Agency needs (requirements determination) or financial management.

B. **Contracting**: Means purchasing, renting, leasing, or otherwise obtaining supplies or services. Contracting includes description (but not determination) of supplies and services required, selection and solicitation of sources, preparation and award of contracts, and all phases of contract administration. It does not include making grants or cooperative agreements, or real property transactions. For the purposes of this Directive, “contracting” is synonymous with “procurement”.

C. **DHS Component**: Any organization which reports directly to the Office of the Secretary (including the Secretary, the Deputy Secretary, the Chief of Staff, the Counselors, and their respective staff) when approved as such by the Secretary.

D. **DHS HCA Council**: The functional advisory body that assists the CPO in evaluating and determining the best course of action for the DHS Contracting Program. The DHS HCA Council provides the CPO with advice and guidance on the state of contracting within the Department. The DHS HCA Council is chaired by the CPO, and its members include the Component HCAs.

E. **Functional Integration**: A transformation process that enhances efficient and effective use of resources by establishing unified policies and business processes, and automated solutions, in compliance with valid security requirements. Functional integration is a structured relationship among DHS Components and LOB Chiefs for the purpose of achieving functional excellence in support of Departmental missions and objectives, including specific component mission requirements.
F. **HCA**: The senior contracting official within the Component as defined in the Homeland Security Acquisition Regulation 3002.101. The HCA is selected by the Component Head, with CPO approval, and is designated by the CPO in writing.

G. **LOB Chief**: Officers at the Departmental level who own acquisition portfolios and are responsible and accountable for adhering to the Department’s acquisition policies and procedures to ensure the sound management, review, support, approval and oversight of all types of acquisition within their respective organizations. LOB Chiefs include the Chief Procurement Officer, Chief Readiness Support Officer, Chief Financial Officer, Chief Human Capital Officer, Chief Security Officer, and the Chief Information Officer.

H. **OT**: Means a transaction other than a procurement contract, grant, or cooperative agreement, as authorized by statute. Because this type of transaction is defined in the negative, it can take many forms. When authorized by statute, DHS may enter into transactions other than procurement contracts, grants, and cooperative agreements.

I. **Oversight**: Continuous monitoring of the performance and/or operation of a person, group, or set of activities towards a common purpose or goal.

J. **SPE**: In accordance with the Federal Acquisition Regulation, is the individual appointed pursuant to 41 U.S.C. § 1702 and is responsible for management direction of the procurement system of DHS, including implementation of the unique procurement policies, regulations, and standards of the executive agency. The SPE for DHS is the CPO.