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SEC. 2. ACQUISITION AUTHORITIES FOR UNDER SECRETARY FOR MANAGEMENT OF THE DEPARTMENT OF HOMELAND SECURITY.

Section 701 of the Homeland Security Act of 2002 (6 U.S.C. 341) is amended by—

(1) redesignating subsections (d) and (e) as subsections (e) and (f), respectively; and

(2) inserting after subsection (c) the following:

“(d) ACQUISITION AND RELATED RESPONSIBILITIES.—

“(1) DEFINITIONS.—In this subsection, the terms ‘acquisition’, ‘acquisition decision authority’, ‘acquisition program baseline’, ‘best practices’, ‘Component Acquisition Executive’, and ‘major acquisition program’ shall have the meanings given those terms in section 710.

“(2) CHIEF ACQUISITION OFFICER.—

“(A) IN GENERAL.—Notwithstanding section 1702(b) of title 41, United States Code, the Under Secretary for Management is the Chief Acquisition Officer of the Department.

“(B) AUTHORITIES.—The Under Secretary for Management shall—

“(i) have the authorities and perform the functions specified in section 1702(b) of title 41, United States Code; and
“(ii) perform all other functions and responsibilities delegated by the Secretary or described in this subsection.

“(3) Functions and Responsibilities.—In addition to the authorities and functions specified in section 1702(b) of title 41, United States Code, the functions and responsibilities of the Under Secretary for Management related to acquisition shall include the following:

“(A) Advising the Secretary regarding acquisition management activities, taking into account risks of failure to achieve cost, schedule, or performance parameters, to ensure that the Department achieves the mission of the Department through the adoption of widely accepted program management best practices and standards and, where appropriate, acquisition innovation best practices.

“(B) Leading an acquisition review board within the Department and exercising the acquisition decision authority to approve, pause, modify (including the rescission of approvals of program milestones), or cancel major acquisition programs, unless the Under Secretary delegates such authority to a Component Acquisi-
tion Executive in accordance with paragraph (4).

“(C) Establishing policies for acquisition that implement an approach that takes into account risks of failure to achieve cost, schedule, or performance parameters that all components of the Department shall comply with, including outlining relevant authorities for program managers to effectively manage acquisition programs.

“(D) Ensuring that each major acquisition program has a Department-approved acquisition program baseline, pursuant to the acquisition management policy of the Department.

“(E) Ensuring that the heads of components and Component Acquisition Executives comply with Federal law, the Federal Acquisition Regulation, and Department acquisition management directives.

“(F) Ensuring that grants and financial assistance are provided only to individuals and organizations that are not suspended or debarred.

“(G) Distributing guidance throughout the Department to ensure that contractors involved
in acquisitions, particularly contractors that access the information systems and technologies of the Department, adhere to relevant Department policies related to physical and information security as identified by the Under Secretary for Management.

“(H) Overseeing the Component Acquisition Executive organizational structure to ensure Component Acquisition Executives have sufficient capabilities and comply with Department acquisition policies.

“(4) DELEGATION OF ACQUISITION DECISION AUTHORITY.—

“(A) LEVEL 3 ACQUISITIONS.—The Under Secretary for Management may delegate acquisition decision authority in writing to the relevant Component Acquisition Executive for an acquisition program that has a life cycle cost estimate of less than $300,000,000.

“(B) LEVEL 2 ACQUISITIONS.—The Under Secretary for Management may delegate acquisition decision authority in writing to the relevant Component Acquisition Executive for a major acquisition program that has a life cycle cost estimate of not less than $300,000,000 nor
more than $1,000,000,000 if all of the following requirements are met:

“(i) The component concerned possesses working policies, processes, and procedures that are consistent with Department-level acquisition policy.

“(ii) The Component Acquisition Executive concerned has adequate, experienced, and dedicated professional employees with program management training, as applicable, commensurate with the size of the acquisition programs and related activities delegated to such Component Acquisition Executive by the Under Secretary for Management.

“(iii) Each major acquisition program concerned has written documentation showing that the major acquisition program—

“(I) has a Department-approved acquisition program baseline; and

“(II) is meeting agreed-upon cost, schedule, and performance thresholds.
“(5) RELATIONSHIP TO UNDER SECRETARY FOR SCIENCE AND TECHNOLOGY.—

“(A) IN GENERAL.—

“(i) Rule of construction.—Nothing in this subsection shall be construed to diminish the authority granted to the Under Secretary for Science and Technology under this Act.

“(ii) Cooperation.—The Under Secretary for Management and the Under Secretary for Science and Technology shall cooperate in matters related to the coordination of acquisitions across the Department so that investments of the Directorate of Science and Technology are able to support current and future requirements of the components of the Department.

“(B) Operational testing and evaluation.—The Under Secretary for Science and Technology shall—

“(i) ensure, in coordination with relevant component heads, that major acquisition programs—
“(I) complete operational testing and evaluation of technologies and systems;

“(II) use independent verification and validation of operational test and evaluation implementation and results; and

“(III) document whether such programs meet all performance requirements included in their acquisition program baselines;

“(ii) ensure that the operational testing and evaluation required under clause (i)(I) includes all system components and incorporates operators into the testing to ensure that systems perform as intended in the appropriate operational setting; and

“(iii) determine if testing conducted by other Federal agencies and private entities is relevant and sufficient in determining whether systems perform as intended in the operational setting.”.
SEC. 3. ACQUISITION AUTHORITIES FOR CHIEF FINANCIAL OFFICER OF THE DEPARTMENT OF HOMELAND SECURITY.

Section 702(b)(2) of the Homeland Security Act of 2002 (6 U.S.C. 342(b)) is amended by adding at the end the following:

“(J) Oversee the costs of acquisition programs and related activities to ensure that actual and planned costs are in accordance with budget estimates and are affordable, or can be adequately funded, over the life cycle of such programs and activities.”.

SEC. 4. ACQUISITION AUTHORITIES FOR CHIEF INFORMATION OFFICER OF THE DEPARTMENT OF HOMELAND SECURITY.

Section 703 of the Homeland Security Act of 2002 (6 U.S.C. 343) is amended—

(1) by redesignating subsection (b) as subsection (c); and

(2) by inserting after subsection (a) the following:

“(b) ACQUISITION RESPONSIBILITIES.—Notwithstanding section 11315 of title 40, United States Code, the acquisition responsibilities of the Chief Information Officer, in consultation with the Under Secretary for Management, shall include the following:
“(1) Oversee the management of the Homeland Security Enterprise Architecture and ensure that, before each acquisition decision event (as defined in section 710), approved information technology acquisitions comply with departmental information technology management processes, technical requirements, and the Homeland Security Enterprise Architecture, and in any case in which information technology acquisitions do not comply with the management directives of the Department, make recommendations to an acquisition review board within the Department regarding such noncompliance.

“(2) Be responsible for providing recommendations to an acquisition review board within the Department regarding information technology programs, and be responsible for developing information technology acquisition strategic guidance.”.

SEC. 5. ACQUISITION AUTHORITIES FOR PROGRAM ACCOUNTABILITY AND RISK MANAGEMENT (PARM).

(a) IN GENERAL.—Title VII of the Homeland Security Act of 2002 (6 U.S.C. 341 et seq.) is amended by adding at the end the following:
SEC. 710. ACQUISITION AUTHORITIES FOR PROGRAM ACCOUNTABILITY AND RISK MANAGEMENT.

(a) DEFINITIONS.—In this section:

(1) ACQUISITION.—The term ‘acquisition’ has the meaning given the term in section 131 of title 41, United States Code.

(2) ACQUISITION DECISION AUTHORITY.—The term ‘acquisition decision authority’ means the authority, held by the Secretary acting through the Deputy Secretary or Under Secretary for Management to—

(A) ensure compliance with Federal law, the Federal Acquisition Regulation, and Department acquisition management directives;

(B) review (including approving, pausing, modifying, or cancelling) an acquisition program through the life cycle of the program;

(C) ensure that acquisition program managers have the resources necessary to successfully execute an approved acquisition program;

(D) ensure good acquisition program management of cost, schedule, risk, and system performance of the acquisition program at issue, including assessing acquisition program baseline breaches and directing any corrective action for such breaches; and
“(E) ensure that acquisition program managers, on an ongoing basis, monitor cost, schedule, and performance against established baselines and use tools to assess risks to an acquisition program at all phases of the life cycle of such program to avoid and mitigate acquisition program baseline breaches.

“(3) ACQUISITION DECISION EVENT.—The term ‘acquisition decision event’, with respect to an acquisition program, means a predetermined point within each of the acquisition phases at which the acquisition decision authority determines whether the acquisition program shall proceed to the next acquisition phase.

“(4) ACQUISITION PROGRAM.—The term ‘acquisition program’ means the process by which the Department acquires, with any appropriated amounts, by contract for purchase or lease, property or services (including construction) that support the missions and goals of the Department.

“(5) ACQUISITION PROGRAM BASELINE.—The term ‘acquisition program baseline’, with respect to an acquisition program, means a summary of the cost, schedule, and performance parameters, expressed in standard, measurable, quantitative terms,
which must be met in order to accomplish the goals of such program.

“(6) BEST PRACTICES.—The term ‘best practices’, with respect to acquisition, means a knowledge-based approach to capability development that includes—

“(A) identifying and validating needs;

“(B) assessing alternatives to select the most appropriate solution;

“(C) clearly establishing well-defined requirements;

“(D) developing realistic cost assessments and schedules;

“(E) securing stable funding that matches resources to requirements;

“(F) demonstrating technology, design, and manufacturing maturity;

“(G) using milestones and exit criteria or specific accomplishments that demonstrate progress;

“(H) adopting and executing standardized processes with known success across programs;

“(I) establishing an adequate workforce that is qualified and sufficient to perform necessary functions; and
“(J) integrating the capabilities described in subparagraphs (A) through (I) into the mission and business operations of the Department.

“(7) BREACH.—The term ‘breach’, with respect to a major acquisition program, means a failure to meet any cost, schedule, or performance threshold specified in the most recently approved acquisition program baseline.

“(8) COMPONENT ACQUISITION EXECUTIVE.—The term ‘Component Acquisition Executive’ means the senior acquisition official within a component who is designated in writing by the Under Secretary for Management, in consultation with the component head, with authority and responsibility for leading a process and staff to provide acquisition and program management oversight, policy, and guidance to ensure that statutory, regulatory, and higher level policy requirements are fulfilled, including compliance with Federal law, the Federal Acquisition Regulation, and Department acquisition management directives established by the Under Secretary for Management.

“(9) MAJOR ACQUISITION PROGRAM.—The term ‘major acquisition program’ means a Department
acquisition program that is estimated by the Secretary to require an eventual total expenditure of not less than $300,000,000 (based on fiscal year 2017 constant dollars) over the life cycle cost of the acquisition program.

“(b) ESTABLISHMENT OF OFFICE.—There shall be a Program Accountability and Risk Management Office within the Management Directorate of the Department to—

“(1) provide consistent accountability, standardization, and transparency of major acquisition programs of the Department; and

“(2) serve as the central oversight function for all Department acquisition programs.

“(c) RESPONSIBILITIES OF EXECUTIVE DIRECTOR.—

“(1) IN GENERAL.—The Program Accountability and Risk Management Office shall be led by an Executive Director to oversee the requirements under subsection (b).

“(2) RESPONSIBILITIES.—The Executive Director shall report directly to the Under Secretary for Management and carry out the following responsibilities:

“(A) Monitor regularly the performance of Department acquisition programs between ac-
quisition decision events to identify problems with cost, performance, or schedule that components may need to address to prevent cost overruns, performance issues, or schedule delays.

“(B) Assist the Under Secretary for Management in managing the acquisition programs and related activities of the Department.

“(C) Conduct oversight of individual acquisition programs to implement Department acquisition program policy, procedures, and guidance with a priority on ensuring the data the office collects and maintains from Department components is accurate and reliable.

“(D) Serve as the focal point and coordinator for the acquisition life cycle review process and as the executive secretariat for an acquisition review board within the Department.

“(E) Advise the persons having acquisition decision authority in making acquisition decisions consistent with all applicable laws and in establishing clear lines of authority, accountability, and responsibility for acquisition decision making within the Department.

“(F) Engage in the strategic planning and performance evaluation process required under
section 306 of title 5, United States Code, and sections 1105(a)(28), 1115, 1116, and 9703 of title 31, United States Code, by supporting the Chief Procurement Officer in developing strategies and specific plans for hiring, training, and professional development in order to rectify any deficiency within the Department’s acquisition workforce.

“(G) Develop standardized certification standards in consultation with the Component Acquisition Executives for all acquisition program managers.

“(H) In the event that an acquisition program manager’s certification or actions need review for purposes of promotion or removal, provide input, in consultation with the relevant Component Acquisition Executive, into the relevant acquisition program manager’s performance evaluation, and report positive or negative experiences to the relevant certifying authority.

“(I) Provide technical support and assistance to Department acquisitions and acquisition personnel in conjunction with the Chief Procurement Officer.
“(J) Prepare the Comprehensive Acquisition Status Report of the Department, as required by division F of the Consolidated Appropriations Act, 2016 (Public Law 114–113), and make such report available to the appropriate committees of Congress (as defined in section 226 of this Act).

“(d) Responsibilities of Components.—

“(1) In general.—Each head of a component shall comply with Federal law, the Federal Acquisition Regulation, and acquisition management directives of the Department established by the Under Secretary for Management.

“(2) Requirements.—For each major acquisition program, each head of a component shall—

“(A) define baseline requirements and document changes to such requirements, as appropriate;

“(B) establish a complete life cycle cost estimate with supporting documentation, including an acquisition program baseline;

“(C) verify each life cycle cost estimate against independent cost estimates, and reconcile any differences;
“(D) complete a cost-benefit analysis with supporting documentation;

“(E) develop and maintain a schedule that is consistent with scheduling best practices as identified by the Comptroller General of the United States, including, in appropriate cases, an integrated master schedule; and

“(F) ensure that all acquisition program information provided by the component is complete, accurate, timely, and valid.”.

(b) CLERICAL AMENDMENT.—The table of contents in section 1(b) of the Homeland Security Act of 2002 (6 U.S.C. 101 et seq.) is amended by inserting after the item relating to section 709 the following:

“Sec. 710. Acquisition authorities for Program Accountability and Risk Management.”.