

DHS ACQUISITION AUTHORITIES ACT OF 2017

MARCH 20, 2017.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. McCAUL, from the Committee on Homeland Security,
submitted the following

R E P O R T

[To accompany H.R. 1252]

The Committee on Homeland Security, to whom was referred the bill (H.R. 1252) to amend the Homeland Security Act of 2002 to provide for certain acquisition authorities for the Under Secretary of Management of the Department of Homeland Security, and for other purposes, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

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The amendment is as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the “DHS Acquisition Authorities Act of 2017”.

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); and

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

“(d) ACQUISITION AND RELATED RESPONSIBILITIES.—

“(1) 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. As Chief Acquisition Officer, the Under Secretary shall have the authorities and perform the functions specified in section 1702(b) of such title, and perform all other functions and responsibilities delegated by the Secretary or described in this subsection.

“(2) 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 (as such term is defined in section 710) 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 its mission through the adoption of widely accepted program management best practices (as such term is defined in section 710) and standards and, where appropriate, acquisition innovation best practices.

“(B) Leading the Department’s acquisition oversight body, the Acquisition Review Board, and exercising the acquisition decision authority (as such term is defined in section 710) to approve, pause, modify (including the rescission of approvals of program milestones), or cancel major acquisition programs (as such term is defined in section 710), unless the Under Secretary delegates such authority to a Component Acquisition Executive (as such term is defined in section 710) pursuant to paragraph (3).

“(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 (as such term is defined in section 710), pursuant to the Department’s acquisition management policy.

“(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 Department’s information systems and technologies, 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.

“(3) 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 at least \$300,000,000 but not 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 it has a Department-approved acquisition program baseline and it is meeting agreed-upon cost, schedule, and performance thresholds.

“(4) RELATIONSHIP TO UNDER SECRETARY FOR SCIENCE AND TECHNOLOGY.—

“(A) IN GENERAL.—Nothing in this subsection shall diminish the authority granted to the Under Secretary for Science and Technology under this Act. 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 such operational testing and evaluation 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.

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

“(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 new subsection:

“(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 such term is 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 Department’s management directives, make recommendations to the Acquisition Review Board regarding such noncompliance.

“(2) Be responsible for providing recommendations to the Acquisition Review Board 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) ESTABLISHMENT OF OFFICE.—Within the Management Directorate, there shall be a Program Accountability and Risk Management office 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.

“(b) RESPONSIBILITIES OF EXECUTIVE DIRECTOR.—The Program Accountability and Risk Management office shall be led by an Executive Director to oversee the requirement under subsection (a). The Executive Director shall report directly to the Under Secretary for Management, and shall carry out the following responsibilities:

“(1) Monitor regularly the performance of Department acquisition programs between acquisition 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.

“(2) Assist the Under Secretary for Management in managing the Department’s acquisition programs and related activities.

“(3) 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.

“(4) Serve as the focal point and coordinator for the acquisition life cycle review process and as the executive secretariat for the Acquisition Review Board.

“(5) 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.

“(6) 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.

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

“(8) 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.

“(9) Provide technical support and assistance to Department acquisitions and acquisition personnel in conjunction with the Chief Procurement Officer.

“(10) Prepare the Department’s Comprehensive Acquisition Status Report, as required by title I of division D of the Consolidated Appropriations Act, 2016 (Public Law 114–113), and make such report available to the congressional homeland security committees.

“(c) RESPONSIBILITIES OF COMPONENTS.—Each head of a component shall comply with Federal law, the Federal Acquisition Regulation, and Department acquisition management directives established by the Under Secretary for Management. For each major acquisition program, each head of a component shall—

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

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

“(3) verify each life cycle cost estimate against independent cost estimates, and reconcile any differences;

“(4) complete a cost-benefit analysis with supporting documentation;

“(5) 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

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

“(d) DEFINITIONS.—In this section:

“(1) ACQUISITION.—The term ‘acquisition’ has the meaning given such 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 canceling) an acquisition program through the life cycle of such 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 such 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 Department’s mission and business operations.

“(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) CONGRESSIONAL HOMELAND SECURITY COMMITTEES.—The term ‘congressional homeland security committees’ means—

- “(A) the Committee on Homeland Security of the House of Representatives and the Committee on Homeland Security and Governmental Affairs of the Senate; and
- “(B) the Committee on Appropriations of the House of Representatives and of the Senate.

“(9) 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.

“(10) 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 at least \$300,000,000 (based on fiscal year 2017 constant dollars) over its life cycle cost.”.

(b) CLERICAL AMENDMENT.—The table of contents in section 1(b) of the Homeland Security Act of 2002 is amended by inserting after the item relating to section 709 the following new item:

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

PURPOSE AND SUMMARY

The purpose of H.R. 1252 is to amend the Homeland Security Act of 2002 to provide for certain acquisition authorities for the Under Secretary of Management of the Department of Homeland Security and for other purposes.

H.R. 1252 establishes the Undersecretary for Management (USM) as the Department's Chief Acquisition Officer responsible for approving, pausing, modifying, or canceling major acquisition programs, as needed. The bill authorizes the USM to lead the Department's acquisition oversight body, the Acquisition Review Board, which oversees major acquisition programs, as well as establish acquisition policies to which all Department components shall comply.

BACKGROUND AND NEED FOR LEGISLATION

The Government Accountability Office (GAO) and the DHS Office of Inspector General (OIG) have consistently reported on the long-standing challenges DHS faces in managing its major acquisition programs, which cost the Department over \$7 billion each year. Every 2 years, GAO identifies areas in the Federal Government that are "high risk" due to their vulnerabilities to fraud, waste, abuse, and mismanagement. Since 2003, GAO has identified DHS's transformation of 22 agencies into one department, and the Department's subsequent challenges with its management functions, as high risk. In GAO's 2017 high risk update, GAO noted that DHS has made progress in addressing its management challenges, but has not yet completed all the necessary actions to fully address acquisition management. Additionally, the OIG reports annually on major management challenges facing the Department. In November 2016, the OIG identified challenges in DHS's management of acquisition programs. Although DHS has taken steps to improve acquisition management, DHS struggles to ensure that major acquisition programs cost what was originally estimated, are delivered on schedule, and provide the capabilities originally intended. H.R. 1252 clarifies responsibilities for acquisition management activities in the Department that will improve accountability when major acquisition programs do not perform as well as intended.

HEARINGS

No hearings were specifically held on H.R. 1252. However, the Committee held oversight hearings on acquisition management, as listed below.

On February 26, 2015, the Subcommittee on Oversight and Management Efficiency held a hearing entitled "Assessing DHS's Performance: Watchdog Recommendations to Improve Homeland Security." The Subcommittee received testimony from The Honorable John Roth, Inspector General, U.S. Department of Homeland Security; Ms. Rebecca Gambler, Director, Homeland Security and Justice, U.S. Government Accountability Office; and Dr. Daniel M. Gerstein, Senior Policy Researcher, The RAND Corporation.

On April 22, 2015, the Subcommittee on Oversight and Management Efficiency held a hearing entitled "Acquisition Oversight: How Effectively is DHS Safeguarding Taxpayer Dollars?" The Subcommittee received testimony from Ms. Michele Mackin, Director,

Acquisition and Sourcing Management, U.S. Government Accountability Office; The Honorable Chip Fulghum, Acting Deputy Undersecretary for Management and Chief Financial Officer, U.S. Department of Homeland Security; and Dr. Cedric Sims, Partner, Evermay Consulting Group.

On September 18, 2015, the Subcommittee on Oversight and Management Efficiency held a hearing entitled “Making DHS More Efficient: Industry Recommendations to Improve Homeland Security.” The Subcommittee received testimony from Mr. Marc Pearl, President and Chief Executive Officer, Homeland Security and Defense Business Council; Mr. Harry Totonis, Board Director, Business Executives for National Security; and Ms. Elaine Duke, Principal, Elaine Duke & Associates, LLC.

On February 16, 2017, the Subcommittee on Oversight and Management Efficiency held a hearing entitled “Watchdog Recommendations: A Better Way Ahead to Manage the Department of Homeland Security.” The Subcommittee received testimony from The Honorable John Roth, Inspector General, U.S. Department of Homeland Security, and Ms. Rebecca Gambler, Director, Homeland Security and Justice, U.S. Government Accountability Office.

COMMITTEE CONSIDERATION

The Committee met on March 8, 2017, to consider H.R. 1252, and ordered the measure to be reported to the House with a favorable recommendation, as amended, by voice vote. The Committee took the following actions:

The following amendment was offered:

An amendment by MR. CORREA (#1); was AGREED TO by voice vote.

Page 3, line 8, insert before the period at the end the following: “and, where appropriate, acquisition innovation best practices”.

COMMITTEE VOTES

Clause 3(b) of rule XIII of the Rules of the House of Representatives requires the Committee to list the recorded votes on the motion to report legislation and amendments thereto.

No recorded votes were requested during consideration of H.R. 1252.

COMMITTEE OVERSIGHT FINDINGS

Pursuant to clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the Committee has held oversight hearings and made findings that are reflected in this report.

NEW BUDGET AUTHORITY, ENTITLEMENT AUTHORITY, AND TAX EXPENDITURES

In compliance with clause 3(c)(2) of rule XIII of the Rules of the House of Representatives, the Committee finds that H.R. 1252, the DHS Acquisition Authorities Act of 2017, would result in no new or increased budget authority, entitlement authority, or tax expenditures or revenues.

CONGRESSIONAL BUDGET OFFICE ESTIMATE

Pursuant to clause 3(c)(3) of rule XIII of the Rules of the House of Representatives, a cost estimate provided by the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974 was not made available to the Committee in time for the filing of this report. The Chairman of the Committee shall cause such estimate to be printed in the *Congressional Record* upon its receipt by the Committee.

STATEMENT OF GENERAL PERFORMANCE GOALS AND OBJECTIVES

Pursuant to clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, H.R. 1252 contains the following general performance goals and objectives, including outcome related goals and objectives authorized.

The purpose of H.R. 1252, the DHS Acquisition Authorities Act of 2017, is to codify certain acquisition management responsibilities for the Under Secretary for Management in law.

DUPLICATIVE FEDERAL PROGRAMS

Pursuant to clause 3(c) of rule XIII, the Committee finds that H.R. 1252 does not contain any provision that establishes or reauthorizes a program known to be duplicative of another Federal program.

CONGRESSIONAL EARMARKS, LIMITED TAX BENEFITS, AND LIMITED TARIFF BENEFITS

In compliance with rule XXI of the Rules of the House of Representatives, this bill, as reported, contains no congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9(e), 9(f), or 9(g) of the rule XXI.

FEDERAL MANDATES STATEMENT

An estimate of Federal mandates prepared by the Director of the Congressional Budget Office pursuant to section 423 of the Unfunded Mandates Reform Act was not made available to the Committee in time for the filing of this report. The Chairman of the Committee shall cause such estimate to be printed in the *Congressional Record* upon its receipt by the Committee.

PREEMPTION CLARIFICATION

In compliance with section 423 of the Congressional Budget Act of 1974, requiring the report of any Committee on a bill or joint resolution to include a statement on the extent to which the bill or joint resolution is intended to preempt State, local, or Tribal law, the Committee finds that H.R. 1252 does not preempt any State, local, or Tribal law.

DISCLOSURE OF DIRECTED RULE MAKINGS

The Committee estimates that H.R. 1252 would require no directed rule makings.

ADVISORY COMMITTEE STATEMENT

No advisory committees within the meaning of section 5(b) of the Federal Advisory Committee Act were created by this legislation.

APPLICABILITY TO LEGISLATIVE BRANCH

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the Congressional Accountability Act.

SECTION-BY-SECTION ANALYSIS OF THE LEGISLATION

Section 1. Short Title.

This section provides that this bill may be cited as the “DHS Acquisition Authorities Act of 2017”.

Sec. 2. Acquisition Authorities for Under Secretary for Management of the Department of Homeland Security.

Section 2 amends section 701 of the Homeland Security Act of 2002 (Pub. L. 107–296) and codifies existing authorities for the Under Secretary for Management (USM) related to acquisition management. Specifically, this section authorizes the USM to exercise the Acquisition Decision Authority to approve, pause, modify, or cancel major acquisition programs. It also includes a requirement that each major acquisition program have documentation showing it has an approved Acquisition Program Baseline (APB) and is meeting agreed-upon cost, schedule, and performance requirements. This must occur before the USM can delegate Acquisition Decision Authority to the relevant Component Acquisition Executive (CAE). This section also requires that the USM ensure that component heads comply with Federal law, Federal Acquisition Regulation (FAR), and Departmental acquisition directives. Section 2 also requires the USM to advise the Secretary, as needed, on acquisition management activities and acquisition innovation best practices, in furtherance of efforts to streamline and improve the Department’s procurement process.

Section 2 also requires the USM to cooperate with the Under Secretary for Science and Technology (S&T) in acquisitions, so that S&T can support current and future requirements more effectively. Section 2 requires the Under Secretary for S&T to ensure that major acquisition programs complete operational testing and evaluation, use independent validation and verification of test results, and document whether all programs meet performance requirements included in their respective APBs. This requirement is intended to reduce instances where the Department deploys technologies without adequately testing them to ensure they meet operators’ needs.

Sec. 3. Acquisition Authorities for Chief Financial Officer of the Department of Homeland Security.

Section 3 amends section 702 of the Homeland Security Act and requires the Department’s Chief Financial Officer to oversee acquisition program costs to ensure that acquisition programs are affordable and within budget over the program’s life-cycle. This provision

seeks to address findings from the Government Accountability Office (GAO) that the Department's major acquisition programs are unaffordable.

Sec. 4. Acquisition Authorities for Chief Information Officer of the Department of Homeland Security.

Section 4 amends section 703 of the Homeland Security Act and authorizes the Chief Information Officer (CIO) to oversee the management of the Homeland Security Enterprise Architecture decision event and to provide recommendations to the Acquisition Review Board on information technology (IT) programs and IT acquisition strategic guidance. Section 4 also requires the CIO to ensure, in consultation with the USM, that IT acquisition programs comply with IT management processes, technical requirements, and management directives. Given that most of the Department's major acquisition programs have significant IT components, Section 4 ensures that the CIO is involved, as appropriate, in ensuring that these programs meet IT policies and technical requirements.

Sec. 5. Acquisition Authorities for Program Accountability and Risk Management (PARM).

Section 5 amends Title VII of the Homeland Security Act and authorizes the Program Accountability and Risk Management (PARM) office within the Department to provide consistent accountability to components' major acquisition programs, as well as serve as the central oversight function for the Department and support the ARB. This section does not create a new office within DHS, as PARM is the current entity within DHS with these responsibilities.

Section 5 authorizes the PARM Executive Director to oversee PARM's role in monitoring the performance of DHS acquisition programs, assisting the USM in managing acquisition programs, and developing certification standards in consultation with CAEs for all acquisition program managers. This section also authorizes PARM to prepare and make available to Congress the DHS Comprehensive Acquisition Status Report (CASR).

Finally, section 5 also requires components to follow Federal law, the Federal Acquisition Regulation (FAR), and DHS acquisition management directives, among other things. This should mitigate instances of components pursuing major acquisition programs without following Departmental acquisition policy. Section 5 defines relevant terms related to acquisition management.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, and existing law in which no change is proposed is shown in roman):

HOMELAND SECURITY ACT OF 2002

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the “Homeland Security Act of 2002”.

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

*	*	*	*	*	*	*
TITLE V—NATIONAL EMERGENCY MANAGEMENT						
Sec. 701. Under Secretary for Management.						
*	*	*	*	*	*	*
<i>Sec. 710. Acquisition authorities for Program Accountability and Risk Management.</i>						
*	*	*	*	*	*	*

TITLE VII—MANAGEMENT

SEC. 701. UNDER SECRETARY FOR MANAGEMENT.

(a) IN GENERAL.—The Under Secretary for Management shall serve as the Chief Management Officer and principal advisor to the Secretary on matters related to the management of the Department, including management integration and transformation in support of homeland security operations and programs. The Secretary, acting through the Under Secretary for Management, shall be responsible for the management and administration of the Department, including the following:

- (1) The budget, appropriations, expenditures of funds, accounting, and finance.
- (2) Procurement.
- (3) Human resources and personnel.
- (4) Information technology and communications systems, including policies and directives to achieve and maintain interoperable communications among the components of the Department.
- (5) Facilities, property, equipment, and other material resources.
- (6) Security for personnel, information technology and communications systems, facilities, property, equipment, and other material resources.
- (7) Strategic management planning and annual performance planning and identification and tracking of performance measures relating to the responsibilities of the Department.
- (8) Grants and other assistance management programs.
- (9) The management integration and transformation within each functional management discipline of the Department, including information technology, financial management, acquisition management, and human capital management, to ensure an efficient and orderly consolidation of functions and personnel in the Department, including—
 - (A) the development of centralized data sources and connectivity of information systems to the greatest extent practicable to enhance program visibility, transparency, and operational effectiveness and coordination;

(B) the development of standardized and automated management information to manage and oversee programs and make informed decisions to improve the efficiency of the Department;

(C) the development of effective program management and regular oversight mechanisms, including clear roles and processes for program governance, sharing of best practices, and access to timely, reliable, and evaluated data on all acquisitions and investments; and

(D) the overall supervision, including the conduct of internal audits and management analyses, of the programs and activities of the Department, including establishment of oversight procedures to ensure a full and effective review of the efforts by components of the Department to implement policies and procedures of the Department for management integration and transformation.

(10) The development of a transition and succession plan, before December 1 of each year in which a Presidential election is held, to guide the transition of Department functions to a new Presidential administration, and making such plan available to the next Secretary and Under Secretary for Management and to the congressional homeland security committees.

(11) Reporting to the Government Accountability Office every six months to demonstrate measurable, sustainable progress made in implementing the corrective action plans of the Department to address the designation of the management functions of the Department on the bi-annual high risk list of the Government Accountability Office, until the Comptroller General of the United States submits to the appropriate congressional committees written notification of removal of the high-risk designation.

(12) The conduct of internal audits and management analyses of the programs and activities of the Department.

(13) Any other management duties that the Secretary may designate.

(b) **WAIVERS FOR CONDUCTING BUSINESS WITH SUSPENDED OR DEBARRED CONTRACTORS.**—Not later than five days after the date on which the Chief Procurement Officer or Chief Financial Officer of the Department issues a waiver of the requirement that an agency not engage in business with a contractor or other recipient of funds listed as a party suspended or debarred from receiving contracts, grants, or other types of Federal assistance in the System for Award Management maintained by the General Services Administration, or any successor thereto, the Under Secretary for Management shall submit to the congressional homeland security committees and the Inspector General of the Department notice of the waiver and an explanation of the finding by the Under Secretary that a compelling reason exists for the waiver.

(c) **APPOINTMENT AND EVALUATION.**—The Under Secretary for Management shall—

(1) be appointed by the President, by and with the advice and consent of the Senate, from among persons who have—

(A) extensive executive level leadership and management experience in the public or private sector;

(B) strong leadership skills;

(C) a demonstrated ability to manage large and complex organizations; and

(D) a proven record in achieving positive operational results;

(2) enter into an annual performance agreement with the Secretary that shall set forth measurable individual and organizational goals; and

(3) be subject to an annual performance evaluation by the Secretary, who shall determine as part of each such evaluation whether the Under Secretary for Management has made satisfactory progress toward achieving the goals set out in the performance agreement required under paragraph (2).

(d) *ACQUISITION AND RELATED RESPONSIBILITIES.*—

(1) *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. As Chief Acquisition Officer, the Under Secretary shall have the authorities and perform the functions specified in section 1702(b) of such title, and perform all other functions and responsibilities delegated by the Secretary or described in this subsection.*

(2) *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 (as such term is defined in section 710) 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 its mission through the adoption of widely accepted program management best practices (as such term is defined in section 710) and standards and, where appropriate, acquisition innovation best practices.*

(B) *Leading the Department's acquisition oversight body, the Acquisition Review Board, and exercising the acquisition decision authority (as such term is defined in section 710) to approve, pause, modify (including the rescission of approvals of program milestones), or cancel major acquisition programs (as such term is defined in section 710), unless the Under Secretary delegates such authority to a Component Acquisition Executive (as such term is defined in section 710) pursuant to paragraph (3).*

(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 (as such term is defined in section 710), pursuant to the Department's acquisition management policy.*

(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 Department's information systems and technologies, 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.

(3) 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 at least \$300,000,000 but not 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 it has a Department-approved acquisition program baseline and it is meeting agreed-upon cost, schedule, and performance thresholds.

(4) RELATIONSHIP TO UNDER SECRETARY FOR SCIENCE AND TECHNOLOGY.—

(A) IN GENERAL.—Nothing in this subsection shall diminish the authority granted to the Under Secretary for Science and Technology under this Act. 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 such operational testing and evaluation 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.*

[(d)] (e) **SYSTEM FOR AWARD MANAGEMENT CONSULTATION.**—The Under Secretary for Management shall require that all Department contracting and grant officials consult the System for Award Management (or successor system) as maintained by the General Services Administration prior to awarding a contract or grant or entering into other transactions to ascertain whether the selected contractor is excluded from receiving Federal contracts, certain subcontracts, and certain types of Federal financial and non-financial assistance and benefits.

[(e)] (f) **INTEROPERABLE COMMUNICATIONS DEFINED.**—In this section, the term “interoperable communications” has the meaning given that term in section 7303(g) of the Intelligence Reform and Terrorism Prevention Act of 2004 (6 U.S.C. 194(g)).

SEC. 702. CHIEF FINANCIAL OFFICER.

(a) In General.—The Chief Financial Officer shall perform functions as specified in chapter 9 of title 31, United States Code, and, with respect to all such functions and other responsibilities that may be assigned to the Chief Financial Officer from time to time, shall also report to the Under Secretary for Management.

(b) **PROGRAM ANALYSIS AND EVALUATION FUNCTION.**—

(1) **ESTABLISHMENT OF OFFICE OF PROGRAM ANALYSIS AND EVALUATION.**—Not later than 90 days after the date of enactment of this subsection, the Secretary shall establish an Office of Program Analysis and Evaluation within the Department (in this section referred to as the “Office”).

(2) **RESPONSIBILITIES.**—The Office shall perform the following functions:

(A) Analyze and evaluate plans, programs, and budgets of the Department in relation to United States homeland security objectives, projected threats, vulnerability assessments, estimated costs, resource constraints, and the most recent homeland security strategy developed pursuant to section 874(b)(2).

(B) Develop and perform analyses and evaluations of alternative plans, programs, personnel levels, and budget submissions for the Department in relation to United

States homeland security objectives, projected threats, vulnerability assessments, estimated costs, resource constraints, and the most recent homeland security strategy developed pursuant to section 874(b)(2).

(C) Establish policies for, and oversee the integration of, the planning, programming, and budgeting system of the Department.

(D) Review and ensure that the Department meets performance-based budget requirements established by the Office of Management and Budget.

(E) Provide guidance for, and oversee the development of, the Future Years Homeland Security Program of the Department, as specified under section 874.

(F) Ensure that the costs of Department programs, including classified programs, are presented accurately and completely.

(G) Oversee the preparation of the annual performance plan for the Department and the program and performance section of the annual report on program performance for the Department, consistent with sections 1115 and 1116, respectively, of title 31, United States Code.

(H) Provide leadership in developing and promoting improved analytical tools and methods for analyzing homeland security planning and the allocation of resources.

(I) Any other responsibilities delegated by the Secretary consistent with an effective program analysis and evaluation function.

(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.

(3) DIRECTOR OF PROGRAM ANALYSIS AND EVALUATION.—There shall be a Director of Program Analysis and Evaluation, who—

(A) shall be a principal staff assistant to the Chief Financial Officer of the Department for program analysis and evaluation; and

(B) shall report to an official no lower than the Chief Financial Officer.

(4) REORGANIZATION.—

(A) IN GENERAL.—The Secretary may allocate or reallocate the functions of the Office, or discontinue the Office, in accordance with section 872(a).

(B) EXEMPTION FROM LIMITATIONS.—Section 872(b) shall not apply to any action by the Secretary under this paragraph.

(c) NOTIFICATION REGARDING TRANSFER OR REPROGRAMMING OF FUNDS.—In any case in which appropriations available to the Department or any officer of the Department are transferred or reprogrammed and notice of such transfer or reprogramming is submitted to the Congress (including any officer, office, or Committee of the Congress), the Chief Financial Officer of the Department shall simultaneously submit such notice to the Select Committee on Homeland Security (or any successor to the jurisdiction of that

committee) and the Committee on Government Reform of the House of Representatives, and to the Committee on Governmental Affairs of the Senate.

SEC. 703. CHIEF INFORMATION OFFICER.

(a) **IN GENERAL.**—The Chief Information Officer shall report to the Secretary, or to another official of the Department, as the Secretary may direct.

(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 such term is 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 Department's management directives, make recommendations to the Acquisition Review Board regarding such noncompliance.*

(2) *Be responsible for providing recommendations to the Acquisition Review Board regarding information technology programs, and be responsible for developing information technology acquisition strategic guidance.*

[(b)] (c) GEOSPATIAL INFORMATION FUNCTIONS.—

(1) **DEFINITIONS.**—As used in this subsection:

(A) **GEOSPATIAL INFORMATION.**—The term “geospatial information” means graphical or digital data depicting natural or manmade physical features, phenomena, or boundaries of the earth and any information related thereto, including surveys, maps, charts, remote sensing data, and images.

(B) **GEOSPATIAL TECHNOLOGY.**—The term “geospatial technology” means any technology utilized by analysts, specialists, surveyors, photogrammetrists, hydrographers, geodesists, cartographers, architects, or engineers for the collection, storage, retrieval, or dissemination of geospatial information, including—

- (i) global satellite surveillance systems;
- (ii) global position systems;
- (iii) geographic information systems;
- (iv) mapping equipment;
- (v) geocoding technology; and
- (vi) remote sensing devices.

(2) **OFFICE OF GEOSPATIAL MANAGEMENT.**—

(A) **ESTABLISHMENT.**—The Office of Geospatial Management is established within the Office of the Chief Information Officer.

(B) **GEOSPATIAL INFORMATION OFFICER.**—

(i) **APPOINTMENT.**—The Office of Geospatial Management shall be administered by the Geospatial Information Officer, who shall be appointed by the Secretary and serve under the direction of the Chief Information Officer.

(ii) FUNCTIONS.—The Geospatial Information Officer shall assist the Chief Information Officer in carrying out all functions under this section and in coordinating the geospatial information needs of the Department.

(C) COORDINATION OF GEOSPATIAL INFORMATION.—The Chief Information Officer shall establish and carry out a program to provide for the efficient use of geospatial information, which shall include—

(i) providing such geospatial information as may be necessary to implement the critical infrastructure protection programs;

(ii) providing leadership and coordination in meeting the geospatial information requirements of those responsible for planning, prevention, mitigation, assessment and response to emergencies, critical infrastructure protection, and other functions of the Department; and

(iii) coordinating with users of geospatial information within the Department to assure interoperability and prevent unnecessary duplication.

(D) RESPONSIBILITIES.—In carrying out this subsection, the responsibilities of the Chief Information Officer shall include—

(i) coordinating the geospatial information needs and activities of the Department;

(ii) implementing standards, as adopted by the Director of the Office of Management and Budget under the processes established under section 216 of the E-Government Act of 2002 (44 U.S.C. 3501 note), to facilitate the interoperability of geospatial information pertaining to homeland security among all users of such information within—

(I) the Department;

(II) State and local government; and

(III) the private sector;

(iii) coordinating with the Federal Geographic Data Committee and carrying out the responsibilities of the Department pursuant to Office of Management and Budget Circular A-16 and Executive Order 12906; and

(iv) making recommendations to the Secretary and the Executive Director of the Office for State and Local Government Coordination and Preparedness on awarding grants to—

(I) fund the creation of geospatial data; and

(II) execute information sharing agreements regarding geospatial data with State, local, and tribal governments.

(3) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out this subsection for each fiscal year.

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SEC. 710. ACQUISITION AUTHORITIES FOR PROGRAM ACCOUNTABILITY AND RISK MANAGEMENT.

(a) *ESTABLISHMENT OF OFFICE.*—*Within the Management Directorate, there shall be a Program Accountability and Risk Management office 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.

(b) *RESPONSIBILITIES OF EXECUTIVE DIRECTOR.*—*The Program Accountability and Risk Management office shall be led by an Executive Director to oversee the requirement under subsection (a). The Executive Director shall report directly to the Under Secretary for Management, and shall carry out the following responsibilities:*

(1) Monitor regularly the performance of Department acquisition programs between acquisition 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.

(2) Assist the Under Secretary for Management in managing the Department's acquisition programs and related activities.

(3) 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.

(4) Serve as the focal point and coordinator for the acquisition life cycle review process and as the executive secretariat for the Acquisition Review Board.

(5) 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 decisionmaking within the Department.

(6) 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.

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

(8) 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.

(9) Provide technical support and assistance to Department acquisitions and acquisition personnel in conjunction with the Chief Procurement Officer.

(10) *Prepare the Department's Comprehensive Acquisition Status Report, as required by title I of division D of the Consolidated Appropriations Act, 2016 (Public Law 114–113), and make such report available to the congressional homeland security committees.*

(c) *RESPONSIBILITIES OF COMPONENTS.—Each head of a component shall comply with Federal law, the Federal Acquisition Regulation, and Department acquisition management directives established by the Under Secretary for Management. For each major acquisition program, each head of a component shall—*

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

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

(3) verify each life cycle cost estimate against independent cost estimates, and reconcile any differences;

(4) complete a cost-benefit analysis with supporting documentation;

(5) 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

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

(d) *DEFINITIONS.—In this section:*

(1) ACQUISITION.—The term “acquisition” has the meaning given such 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 canceling) an acquisition program through the life cycle of such 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 such 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 Department’s mission and business operations.

(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) *CONGRESSIONAL HOMELAND SECURITY COMMITTEES.*—The term “congressional homeland security committees” means—

- (A) the Committee on Homeland Security of the House of Representatives and the Committee on Homeland Security and Governmental Affairs of the Senate; and
- (B) the Committee on Appropriations of the House of Representatives and of the Senate.

(9) *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 Regula-

tion, and Department acquisition management directives established by the Under Secretary for Management.

(10) 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 at least \$300,000,000 (based on fiscal year 2017 constant dollars) over its life cycle cost.

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