



- 1. PURPOSE:** This directive implements TSA policies and procedures for acquisition program planning, review, and reporting. This directive also provides the means to fulfill the requirements of the Department of Homeland Security (DHS) directive on the investment review process (DHS MD 1400), acquisition line of business integration and management (DHS MD 0003), and acquisition certification requirements for program managers (DHS MD 0782). The management of TSA investments is a key strategic function. Proper management warrants a structured approach to program management, systematic process for review and approval, visibility, and accountability.

This MD promulgates the following acquisition guides:

- Attachment (1): [Mission Need Statement Guide](#)
- Attachment (2): [Acquisition Program Baseline Guide](#)
- Attachment (3): [Acquisition Planning Guide](#)
- Attachment (4): [Investment Review Process Guide](#)
- Attachment (5): [TSA Acquisition Program Status Report \(TAPSR\) Guide](#)
- Attachment (6): [Definitions and Terms](#)
- Attachment (7): [Acronyms](#)

- 2. SCOPE:** This directive applies to all TSA offices, directorates, and sub-elements within TSA, unless specifically exempted by statutory or other authority, for all acquisition and investment activities. Additionally, this directive applies to the acquisition of services and all assets, capital and otherwise. DHS MD 0003, Acquisition Line of Business Integration and management defines acquisition as the conceptualization, initiation, design, development, test, contracting, production, deployment, support, modification, and disposal of systems, supplies, or services (including construction) to satisfy organizational element needs. Acquisition is the process of acquiring with appropriated funds, by contract for purchase or lease, supplies and services (including construction) that support the missions and goals of an executive agency.

This directive supersedes TSA MD 300.5, Acquisition Planning and TSA MD 300.7, Mission Need Statement. This directive cancels the charter for the TSA Information Technology Management Council (ITMC), and redefines the TSA Business Management Council (BMC).

- 3. AUTHORITIES:**

- A. Public Law 107-71, the Aviation and Transportation Security Act of 2001.
- B. Public Law 107-296, the Homeland Security Act of 2002.
- C. Clinger-Cohen Act (Division E of Public Law 104-106).
- D. Chief Financial Officers Act (Public Law 101-576 - CFO Act 31 USC 902(a) (3)).

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- E. Office of Management and Budget (OMB) Circular A-11, Preparation and Submission of Budget Estimates, July 2004.
- F. OMB Circular A-94, Guidelines and Discount Rates for Benefit-Cost Analysis of Federal Programs, January 2002.
- G. OMB Circular A-130, Management of Federal Information Resources, November 2000.
- H. Department of Homeland Security, Management Directive 1400, Investment Review Process.
- I. Department of Homeland Security, Management Directive 0782, Acquisition Certification Requirements for Program Managers.
- J. Department of Homeland Security, Management Directive 0003, Acquisition Line of Business Integration and Management.
- K. Department of Homeland Security, Management Directive 11042.1, Safeguarding Sensitive but Unclassified (For Official Use Only) Information.
- L. Department of Homeland Security, Management Directive 11044, Protection of Classified National Security Information Classification Management.
- M. Department of Homeland Security, Management Directive 11045, Protection of Classified National Security Information: Accountability, Control, and Storage.

**4. DEFINITIONS:**

Attachment 6 provides a list of definitions and terms used in this directive. Attachment 7 provides a list of acronyms used.

**5. RESPONSIBILITIES:**

- A. TSA Deputy Administrator (DA). The TSA DA is the acquisition executive for TSA. The TSA DA chairs the TSA Investment Review Board (IRB) for Level 1 and 2 program reviews, and authorizes these programs to enter the DHS review process. The TSA DA is the sponsor for Mission Need Statements (MNS) and Acquisition Program Baselines (APBs) for Level I programs, and the MNS and APB approval authority for Level 2 programs. The TSA DA will also make the final Information Technology (IT) versus Non-IT determination for Investment Level 1 and 2 programs.
- B. TSA Chief Procurement Executive (CPE). The TSA CPE is the Head of Contracting Activities (HCA) for all TSA acquisition programs. As such, the CPE is responsible for all aspects of the program management discipline within TSA, including oversight for program requirements generation, acquisition planning, review, reporting, and execution. The CPE is the co-chair of the TSA BMC and a member of the TSA IRB. For TSA acquisitions, the TSA CPE shall:

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- (1) Co-approve, along with the DHS Chief Procurement Officer (CPO), all Acquisition Plans (AP) for programs exceeding a \$10M acquisition cost.
  - (2) Coordinate IT versus Non-IT determinations with the TSA Chief Information Officer (CIO) for each TSA acquisition program, and make final joint IT versus Non-IT determination on Investment Level 3 and 4 programs.
  - (3) Convene and co-chair with the TSA CIO, BMC reviews for all TSA acquisition programs in accordance with Attachment 4. Serve as the co-decision authority, along with the TSA CIO, for TSA Investment Level 3 and 4 acquisition programs being reviewed.
  - (4) Serve as the TSA authority responsible for the TSA acquisition workforce career development.
- C. TSA CIO. The TSA CIO is the sole executive agent and Participating Manager (PARM) for all IT elements or aspects of TSA investments. Programs determined to be IT programs, where the preponderance of the effort is related to information technology, shall be under the full purview of the CIO. The TSA CIO is the co-chair of the TSA BMC and a member of the TSA IRB.
- For TSA acquisition programs, the TSA CIO shall:
- (1) Coordinate IT versus Non-IT determination with the TSA CPE on each TSA acquisition program, and make joint final IT versus Non-IT determination on Investment Level 3 and 4 programs.
  - (2) Convene and co-chair with the TSA CPE BMC reviews for all TSA acquisition programs in accordance with Attachment 4. Serve as the co-decision authority, along with the TSA CPE, for TSA Level 3 and 4 acquisition programs being reviewed.
  - (3) Interpret and disseminate IT and IT security policy and regulations; monitor information to assist Program Managers (PMs) in complying with law or regulation.
  - (4) Manage the OMB-300 process and integrate it with the TSA Acquisition Process.
  - (5) Provide for joint support, with the TSA Acquisition and Program Management Support Division (APMSD), BMC Executive Secretary services in accordance with Attachment 4.
- D. TSA Chief Financial Officer (CFO). The TSA CFO is responsible for TSA planning, programming, budgeting activities. The CFO shall coordinate with the mission area Assistant Administrators (AA) to ensure that the Fiscal Year Homeland Security Plan (FYHSP) reflects TSA acquisition program requirements. The CFO shall ensure that budget execution is consistent with program requirements and IRB decisions. The CFO is a member of the TSA BMC and IRB.
- E. TSA Strategic Management and Analysis (SM&A) Director. The TSA SM&A Director shall ensure that activities required for strategic goals achievement are properly assigned and

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allocated through FYHSP and BMC/IRB processes. The SM&A Director is a member of the TSA BMC and IRB.

- F. TSA Assistant Administrator for Workforce Performance and Training (WPT). The TSA Assistant Administrator for WPT, in consultation with the Office of Acquisition, shall institute and implement the TSA Acquisition Professional Development training program. The TSA AA WPT is a member of the TSA BMC and IRB.
- G. TSA Director, Acquisition and Program Management Support Division (APMSD). The TSA Director APMSD, under the leadership of the TSA CPE, is the TSA functional advisor for program managers and as such, has the following responsibilities:
- (1) Influence and disseminate Acquisition Policy; serve as the TSA principal liaison with DHS for acquisition, including Program Analysis and Evaluation (PA&E) and Chief Procurement Officer (CPO) organizations.
  - (2) Provide acquisition support to program offices, including various acquisition guides, and refresher workshops, outreach, and on-demand consultation.
  - (3) As Executive Secretary of the TSA IRB, schedule and conduct the affairs of the TSA IRB in accordance with Attachment 4. Maintain an up-to-date presentation format for IRB presentations using current standards, policy, and information needs. Provide policy information to PMs regarding TSA IRB; coordinate with PMs to assist in their preparation for the IRB; provide presentation templates and samples; develop the IRB Report and Decision Memo, identifying actions assigned and the conditions for approval to proceed to the next higher level review or acquisition phase. Coordinate with the TSA CIO organization to provide similar services for the TSA BMC, in accordance with Attachment 4.
  - (4) Maintain TSA Acquisition Program Database and program metrics. Maintain central files of acquisition program information; e.g., TSA Acquisition Index of programs and their Key Decision Point (KDP) approvals, IRB reports, decision memos, action items, and lessons learned. Manage and coordinate executive information summary reporting through the TSA Acquisition Program Status Report (TAPSR) system that tracks KDPs and provides the status of cost, schedule, and performance (quality) based on PM self-assessment. Maintain active liaison with the DHS IRB and Joint Requirements Council (JRC).
  - (5) Administer the TSA Program Management support services contract.
  - (6) Review and endorse Program Management certification request packages before they are sent to DHS.
  - (7) Assist PM's in any manner necessary to ensure the efficiency and effectiveness of all acquisition programs as they transition through the various program KDPs. Support services include acquisition program requirements generation; program chartering; cost-benefit analysis; earned value management (EVM) implementation; and planning for logistics and testing & evaluation.

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- H. TSA Investment Review Board (IRB). In accordance with Attachment 4, the TSA IRB shall:
- (1) Review all TSA Investment Level 1, and 2 acquisition programs at each key KDP to determine their readiness to progress to the next acquisition phase.
  - (2) Make recommendations to DHS on readiness of TSA Investment Level 1 and 2 acquisition programs to proceed to Department of Homeland Security (DHS) Joint Requirements Council (JRC) KDP reviews.
  - (3) Ensure TSA investments are aligned with TSA's mission and identify potential investment redundancies.
- I. TSA Business Management Council (BMC). In accordance with Attachment 4 the TSA BMC shall:
- (1) Review TSA Investment Level 1 and 2 acquisition programs and make recommendations to the TSA IRB on their readiness to proceed to the TSA IRB.
  - (2) Review TSA Level 3 and 4 acquisition programs at KDPs, approving them to proceed to the next acquisition phase.
  - (3) Establish standards and make decisions to ensure that TSA strategic objectives are met.
- J. TSA Assistant Administrators (AA): The TSA AAs shall:
- (1) Ensure that the FYHSP reflecting TSA acquisition program requirements for their mission area are submitted to the TSA CFO's Office of Budget and Performance in sufficient time for inclusion into the FYHSP.
  - (2) Serve as members of the TSA BMC and IRB.
  - (3) Review and approve quarterly TAPSRs for acquisition programs under their purview, in accordance with Attachment 5.
  - (4) Notify the Director, TSA APMSD of all potential emerging cognizant TSA investments.
  - (5) For each TSA acquisition program under their purview, assign and designate in writing the PM using the Program Manager Designation Memo (TSA Form 300).
  - (6) Ensure that PMs assigned to programs under their purview achieve and maintain the required PM level of certification specified in DHS MD 0782, Acquisition Certification Requirements for Program Managers.
  - (7) Ensure that an OMB Circular A-11, Exhibit 300, if appropriate, and its supporting documentation is prepared and submitted for Level 1, 2 and 3 programs and, an OMB

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Circular A-11 Exhibit 53, if appropriate and its supporting documentation are prepared and submitted for Level 4 (IT only) programs to the TSA CIO.

- K. Program Managers (PM): PMs are responsible TSA individuals who, with significant discretionary authority, are uniquely empowered to make scope of work, capital investment, and performance acceptability decisions, and who are responsible for accomplishing program objectives or production requirements through the acquisition of any mix of in-house, contract or reimbursable support resource. The PM determines the solution that satisfies the mission need and requirements of the agency, which are cost-effective and operationally suitable. PMs shall:
- (1) Plan, document and report in accordance with this directive.
  - (2) Ensure that programs under their purview do not enter into the activities of the next acquisition phase without first having received appropriate KDP approval.
  - (3) Notify the APMSD of upcoming KDPs or program reviews so that a BMC or IRB can be scheduled.
  - (4) As required, prepare and deliver program TSA BMC and IRB presentations in accordance with Attachment 4.
  - (5) Complete TSA BMC or IRB action items assigned by the appropriate review board chairperson.
  - (6) For IT investments, ensure that their acquisition program is in compliance with the TSA Enterprise Architecture (EA) and System Development Life Cycle (SDLC) methodologies.
  - (7) Prepare quarterly TAPSR updates in accordance with Attachment 5.
  - (8) Acquire and maintain the required PM level of certification as specified in DHS MD 0782, Acquisition Certification Requirements for Program Managers.

**6. POLICY & PROCEDURES:**

A. Policy:

- (1) Acquisition documentation developed and maintained under this Management Directive shall be subject to all applicable TSA, DHS, and Federal policy for the identification and safeguarding of sensitive and classified information. It is the responsibility of the PM to ensure that applicable controls are being implemented to preserve the integrity of all sensitive and classified acquisition documentation at all times.
- (2) FYHSP data, OMB 300 data, out year budget numbers beyond the current fiscal year's approved President's Budget are protected by Executive Privilege under DHS MD 1310. Disclosure of Any documents under TSA MD 300.8, Acquisition, Program Planning, Review and Reporting outside the Agency by any party, regardless of the requestor, must

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be fully coordinated with the TSA CIO, CFO's, Office of Budget and Performance, and Office of Acquisition prior to responding to document call requests.

- (3) In accordance with the acquisition processes and procedures described below, TSA acquisition programs shall be based on a determination of mission need, documentation of acquisition program baseline - including operational requirements, documented acquisition planning, and program status reporting in the TAPSR. As described in Attachment 4, all TSA programs whose acquisition cost or contract cost exceeds \$5 million, or whose life cycle cost exceeds \$20 million (e.g. Investment Level 1, 2 and 3 programs), require a documented and approved Mission Need Statement (MNS), Acquisition Program Baseline (APB), and Acquisition Plan (AP). Acquisition programs will be subject to review by the TSA BMC and IRB in accordance with the procedures in this directive.

**B. Procedures:**

- (1) **Acquisition Program Planning.** TSA Program Managers and other acquisition personnel shall consult the TSA guides provided as attachments to this directive when preparing the documentation for the processes listed. The guides are available on line at the TSA Office of Acquisition website, and are also available from the APMSD.
- (2) **Acquisition Program Review.** Acquisition program review at TSA is accomplished through the Investment Review Process (IRP). Attachment 4 provides detailed TSA IRP procedures.

(a) **Investment Categories**

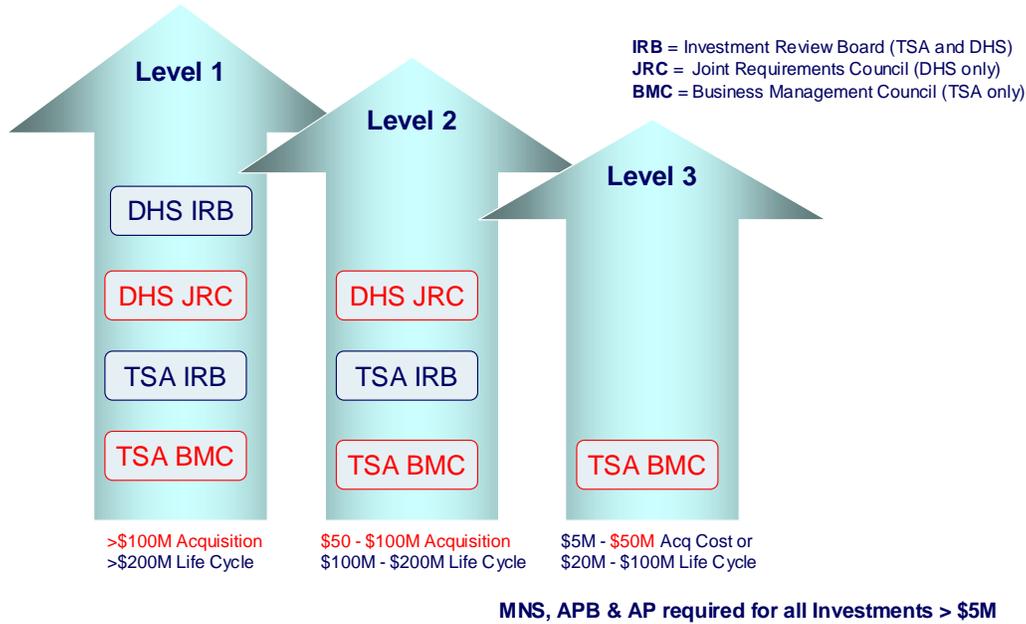
TSA acquisition programs are categorized in four levels based on DHS defined criteria as prescribed in the DHS MD 1400, Investment Review Process. These levels determine the documentation required for review as well as the review forum and level of approval. TSA acquisition programs are also designated as IT and Non-IT programs.

(b) **Decision Authority for TSA Acquisition Programs**

- For Investment Level 1 programs the DHS Deputy Secretary is the acquisition executive who has final decision authority at a program's KDP.
- For Investment Level 2 programs, the Chair of the DHS Joint Requirements Council (JRC) is the decision authority.
- For Level 3 and 4 programs, the TSA CPE and CIO, as co-chairs of the TSA BMC, are the co-decision authorities.

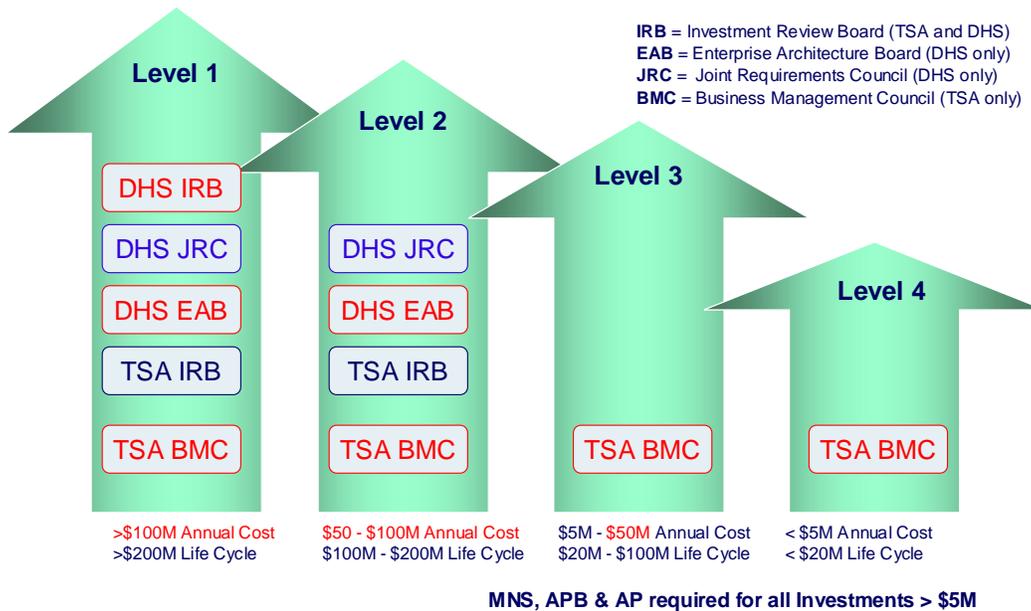
Figure 1 depicts the investment review process for non-IT programs. Figure 2 depicts the process for IT programs.

## Non-IT Investment Review Process



*Figure 1. Investment Review Process for Non-IT Programs*

## IT Investment Review Process



*Figure 2. Investment Review Process for IT Programs*

- (3) Acquisition Program Reporting. Acquisition reporting within the TSA is accomplished through the use of the TAPSR, a single report that serves as a standardized tool used by all

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levels of TSA management, as described in Attachment 5. A TAPSR stores data on and facilitates monitoring of individual program progress.

Program reporting helps senior management monitor progress across many programs, and accomplishes several other goals:

- (a) It provides a tool for answering a query for information about multiple TSA programs without repeating the same query for each program.
  - (b) It gives the program manager a systematic way to keep management informed of program status without repeated ad hoc scrutiny.
  - (c) It standardizes program status reports and information, providing a consistent measurement for programs.
  - (d) It allows TSA APMSD to anticipate program events and assist the PM in succeeding during program review forums.
- (4) The PM or his designee will enter TAPSR data in the TSA Acquisition Support Database. Program identification information in blocks 1 through 11 is available to all TSA members requiring access. Program status information will be available to the Administrator, Deputy Administrator, Chief of Staff, Chief Operating Officer, Chief Support Systems Officer, and Assistant Administrators.

Program Managers are responsible for ensuring the following requirements are fulfilled:

- (a) Submission of an initial TAPSR at program initiation.
- (b) Quarterly TAPSR updates within 10 working days after the end of each fiscal quarter.
- (c) Final TAPSR when a program is terminated.

After submission of the initial TAPSR, future reports need only show changes to the previous report. Each PM will designate a TAPSR point of contact to the APMSD with the submission of the initial TAPSR and any time that the point of contact changes.

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**7. EFFECTIVE DATE AND IMPLEMENTATION:**

This policy is effective immediately upon signature.

**APPROVAL**

  
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Ken Kasprisin,  
Deputy Administrator (Acting)

May 7, 2005

Date

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