

U.S. IMMIGRATION AND CUSTOMS ENFORCEMENT

ICE Directive 2014.1: Acquisition Program Affordability

Issue Date: April 9, 2019
Superseded: None
Federal Enterprise Architecture Number: 306-112-002a

- 1. Purpose/Background.** Integral to the management of the U.S. Immigration and Customs Enforcement (ICE) acquisition program is the assessment of whether an acquisition is affordable through cost estimates. Such an assessment is necessary to ensure that new or ongoing acquisition programs fit within current and future budget programming. Ensuring that acquisition programs are affordable also informs ICE’s fiscal year budgetary, operational and programmatic decisions.¹ The provisions of this Directive apply to all ICE acquisition programs (i.e., Department of Homeland Security (DHS)-governed major acquisition programs and Component-governed Level 3, non-major acquisition programs). While this Directive applies to ICE acquisition programs, it does not apply to ICE procurement falling under the authority of OAQ.
- 2. Policy.** It is ICE policy to conform to applicable statutes, regulations and DHS policy governing the affordability of acquisition programs by establishing a formal process governing DHS-governed major acquisition programs. All ICE acquisition programs must determine affordability prior to initiation and must establish an acquisition lifecycle cost estimate (LCCE) that will be updated annually and used to determine the ongoing affordability of the acquisition program. The LCCE must be reviewed by a certified² cost estimator and approved by the Component Acquisition Executive (CAE) and the Chief Financial Officer (CFO).

A Component Certification of Funds Memorandum (“Affordability Memo”)³ is required prior to DHS Acquisition Review Boards (ARB) for an Acquisition Decision Event (ADE) 2-A and beyond. Furthermore, annual LCCE updates shall be reviewed by the CAE and CFO as part of the annual budget programming process. The CAE shall facilitate submission of Annual Cost Estimating updates to the DHS CFO for designated DHS-governed major acquisitions. Component approved LCCEs/equivalents become the official agency cost position until superseded by the next annual cost estimating update or ADE/ARB LCCE. The Chief Information Officer (CIO) and Information Technology (IT) Executive Steering Committee (ESC) shall use these annual updates to inform budget development and affordability assessments for any ICE IT Acquisition Program.

¹ All ICE non-major acquisition programs shall develop and maintain a completed LCCE template with data inputs from the Summary of Funds (SOF) which captures all the anticipated contract costs across the program’s lifecycle.

² Federal Acquisition Institute Cost Estimating – FAI-CE certification

³ The certification of funds memorandum documents the affordability determination at appropriate steps in the Acquisition Decision Event. It verifies that the acquisition program has sufficient funding to proceed.

3. **Definitions.** The following definitions apply for the purposes of this Directive only.
- 3.1. **Acquisition Decision Event (ADE).** A predetermined point within the acquisition lifecycle framework when the acquisition program requires approval by the CAE before it moves to the next phase.
- 3.2. **Acquisition Program Manager.** The Program Manager prepares, maintains, documents, and obtains approvals of all acquisition and LCCE documents supporting ADEs/ARBs and Annual Cost Estimating Update briefs.
- 3.3. **Acquisition Program.** The totality of activities directed to accomplish specific goals and objectives, which may provide new or improved capabilities in response to approved requirements and/or sustain existing capabilities, and which may have multiple projects to obtain specific capability requirements or capital assets.
- 3.4. **Acquisition Review Board.** The ARB is an executive-level body that provides advice to the CAE within the ICE acquisition and investment governance structure, reviews acquisition priorities recommended by the ESCs, and establishes ESC operating parameters.
- 3.5. **Affordability.** A comparative analysis of the total cost of a program to the overall available budget to fund that program.
- 3.6. **Annual Cost Estimating Update.** An annual update of the Level 1 and 2 LCCE model⁴ that serves as the supporting basis for the estimate presentation to management based on the most recent programmatic information and informs ICE Resource Allocation Plan (RAP) submission.
- 3.7. **Capital Asset Acquisition Program.** Includes Land, structures, equipment, intellectual property (e.g., software), and IT (including IT service contracts) used by the Federal Government that have an estimated useful life of two years or more. Capital assets may be acquired in different ways: through purchase, construction, or manufacture; through lease/purchase or other capital lease (regardless of whether title has passed to the Federal Government); through an operating lease for an asset with an estimated useful life of two years or more; through exchange. Capital assets may or may not be capitalized (i.e., recorded in an entity's balance sheet) under Federal accounting standards.
- 3.8. **Cost Estimate.** The summation of individual cost elements, using established methods and valid data, to estimate the future costs of a program, based on what is known today.
- 3.9. **DHS-governed Major Acquisition Program.** DHS Level 1 and Level 2 programs and programs designated by the Acquisition Decision Authority as "Special Interest" that do not reach the thresholds for Level 1 and Level 2 and are automatically elevated to Level 2.

⁴ Definitions for Level 1, 2, and 3 acquisition program types can be found in the ICE Acquisition Policy 2007.2..

- 3.10. Field Responsible Official (FRO).** The highest-ranking official in any ICE field location. This includes Special Agents in Charge (SACs), Field Office Directors (FODs), ICE Attaches, Chief Counsels (CCs), and any other officials who have been designated, in writing, by the Director.
- 3.11. Headquarters Responsible Officials (HROs).** Executive Associate Directors (EADs) of Enforcement and Removal Operations (ERO), Homeland Security Investigations (HSI), and Management and Administration (M&A); the Associate Director of the Office of Professional Responsibility; and the Assistant Directors, Officers, or equivalent positions who report directly to the Director, Deputy Director, Chief of Staff, or EAD for M&A.
- 3.12. Information Technology Executive Steering Committee.** A senior oversight body governing IT development and providing guidance and recommendations to the CAE regarding all IT acquisition program decisions.
- 3.13. Life Cycle Cost Estimate (LCCE).** A process to forecast total cost of an acquisition program through, among other things, analyzing program characteristics and purpose and conducting a risk analysis for budget programming.
- 3.14. Non-major Acquisition Programs.** Capital asset acquisition programs with a lifecycle cost below \$300 million and/or service contracts with an annual expected expenditure below \$100 million.

4. Responsibilities.

- 4.1. HROs and FROs** are responsible for ensuring their Directorates and Program Offices comply with the terms of this Directive.
- 4.2. The ICE CFO** is responsible for:
- 1) Reviewing ADEs/ARBs LCCEs and Annual Cost Estimating Updates to evaluate affordability; and
 - 2) Preparing a CFO Certification of Funds Memo (Affordability Memo) prior to an acquisition program ADEs.
- 4.3. The ICE Chief Information Officer (CIO)** is responsible for:
- 1) Developing IT program budgets based on each program's updated LCCE; and
 - 2) Comparing IT program funding requirements against the Future Years Homeland Security Program (FYHSP) and budget to identify any shortfall and recommending execution plans to address any shortfalls.

4.4. Component Acquisition Executive (CAE). The CAE is responsible for:

- 1) Approving the acquisition program's ADE/ARB LCCEs and Annual Cost Estimating Update;
- 2) Providing oversight to ensure acquisition programs operate within their approved cost, schedule and performance baselines;
- 3) Facilitating submission of annual cost estimating updates to the DHS CFO for designated major acquisitions and addresses non-major acquisition programs; and
- 4) Issuing implementing guidance.

4.5. Acquisition Program Manager (PM). The PM is responsible for:

- 1) Preparing, maintaining, documenting, and obtaining approvals of all LCCE documents supporting ADEs/ARBs and Annual Cost Estimating Update briefs;
- 2) Utilizing LCCE to support inputs into ICE Programming processes and Program Decision Options (PDOs) development; and
- 3) Tracking requirements/budget evolution and trade-offs and coordinating budgetary documents in preparation required for the agency's RAP submission.

4.6. IT Executive Steering Committees (IT ESC). IT ESC is responsible for:

- 1) Coordinating the IT budget across Business Centers (HSI, ERO, M&A).
- 2) Ensuring IT acquisition programs are fully funded (affordable) with the CFO. If programs are not appropriately funded, provide a recommendation on how to adjust the ICE budget or program scope, schedule/technical requirements to address program affordability.

5. Procedures/Requirements. None.

6. Recordkeeping. Program Offices referenced in this Directive are responsible for retaining the LCCE/equivalents, LCCE Models, and annual LCCE updates. The CFO is responsible for retaining the Certification of Funds Memoranda. The CAE is responsible for retaining final copies of CAE-approved acquisition documentation and documentation transmitted to DHS for the approval of the DHS CFO or DHS CAO. All records generated will be maintained in accordance with General Records Schedule (GRS) 1.3 Budgeting Records and GRS 1.1 Financial Management and Reporting Records.

7. Authorities/References.

- 7.1. Government Accountability Office (GAO), GAO-09-3SP, Cost Estimating and Assessment Guide, Best Practices for Developing and Managing Capital Program Costs.
- 7.2. DHS Directive 102-01, *Acquisition Management* (Including subordinate Instructions and Guidebooks).
- 7.3. DHS Deputy Under Secretary for Management (DUSM) Memorandum - Annual Cost Estimates, January 11, 2016.
- 7.4. DHS Deputy Under Secretary for Management (DUSM) Memorandum - Overseeing and Tracking Costs of Acquisition Programs in Sustainment, April 20, 2015.
- 7.5. DHS Cost Estimating Handbook, Development of a LCCE.
- 7.6. ICE Policy 2007.2: *ICE Acquisition Policy*, June 19, 2014.
8. **Attachments.** None.
9. **No Private Right.** This document provides only internal ICE policy guidance, which may be modified, rescinded, or superseded at any time without notice. It is not intended to, does not, and may not be relied upon to create any right or benefit, substantive or procedural, enforceable at law by any party in any administrative, civil, or criminal matter. Likewise, no limitations are placed by this guidance on the otherwise lawful enforcement or litigative prerogatives of ICE.



Ronald D. Vitiello
Acting Director
U.S. Immigration and Customs Enforcement