



EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

February 25, 2004

M-04-08

MEMORANDUM FOR: SENIOR PROCUREMENT EXECUTIVES  
CHIEF INFORMATION OFFICERS

FROM: Karen S. Evans  
Administrator, E-Gov and IT

Robert A. Burton  
Associate Administrator, Office of  
Federal Procurement Policy

SUBJECT: Maximizing Use of SmartBuy and Avoiding Duplication of Agency Activities  
with the President's 24 E-Gov Initiatives

The following is a clarification of OMB's FY 2005 Budget Guidance on the SmartBuy and E-Gov initiatives. Specifically, agencies have requested clarification on what actions to take with respect to both initiatives.

**Direction to Agencies**

In November 2003, OMB directed federal agencies to:

- Review all commercial software acquisitions for appropriateness for inclusion into the SmartBuy program in order to leverage government purchasing power and reduce redundant purchases;
- Ensure that the appropriate acquisition official review all planned IT acquisitions for major IT acquisition projects (those in excess of \$2 million) in order to ensure that the acquisition does not duplicate any E-Government initiative. If the agency intends to complete an acquisition found to be duplicative, the prior approval of the OMB E-Government Administrator is required.

**Clarification regarding SmartBuy:**

The purpose of this guidance is to enhance the ability of agencies to manage software and to maximize the federal government's buying power. This initiative will change the way we buy software to take advantage of the significant cost savings and management efficiencies that result from acquiring and managing commercially available software on a government-wide basis.

1. GSA, under the direction of OMB, is leading and managing the SmartBuy initiative.
2. The improved SmartBuy initiative will focus on achieving short-term, mid-term, and long-term results.
3. By April 15, 2004, the Chief Information Officer (CIO) in conjunction with the Senior Procurement Executive (SPE) will compile a list of all software acquisitions (by any purchase mechanism including credit cards) during calendar year 2003 by the name and version of the

software and prepare a projection of the software acquisitions for calendar year 2004. Submit the lists to OMB and GSA. Start the lists with the ten initial SmartBuy opportunities depicted by market category (see Attachment 1). For each category, provide the name of the software, the number of units purchased, the lowest and highest price paid for the software, the total cost for the year and the average price paid. For the 2004 projections, provide the total units expected to be purchased by category.

4. GSA will use the information to negotiate software contracts for government-wide use.
5. At least thirty days before GSA expects to award a SmartBuy contract for a category of software, GSA will notify all agencies they should, to the extent possible, postpone all further purchase requirements until the SmartBuy contract is awarded. Agencies may ask GSA for a waiver for compelling needs. Upon award of the SmartBuy contract, agencies must review the SmartBuy contract to determine whether it satisfies their needs and, absent a compelling justification for doing otherwise (see paragraph 7, below), agencies shall acquire their software requirements from the SmartBuy contract.
6. If an agency has contracts for software from the list of ten SmartBuy opportunities, or in the areas of human resources, financial management, and grants, that do not have yearly options, the agency shall seek to renegotiate the contracts to include yearly options beginning October 1, 2004, so as to allow for an easy transition to a SmartBuy contract.
7. As noted above, agencies may procure software other than through the SmartBuy contract in situations where a compelling justification exists. The agency needs to prepare a memorandum setting forth the compelling justification, which needs to be signed by both the agency's SPE and CIO. After approval by the SPE and the CIO, the justification shall be sent to GSA with a copy to the OMB E-Government Administrator, at least 30 days prior to the expected award of the affected SmartBuy contract. The justification shall specify why the SPE and the CIO have concluded use of the SmartBuy contract is not in the best interest of the agency, including specific and quantifiable reasons. GSA, after coordination with the OMB E-Government Administrator, will respond to the agency before award of the SmartBuy contract.
8. By May 31, 2004, the SmartBuy Program Office will announce the federal government intends to pursue a SmartBuy deal in the areas of human resources systems, financial management systems, grant systems, office automation software, and analytical tools by publishing a request for information (RFI). By October 1, 2004, the goal is to initiate SmartBuy deals in these areas. When GSA is ready to begin this phase, it will notify agencies to update their list of past purchases and future projections, and will follow the same sequence of events listed above for these categories.
9. Agencies shall annually, at the time of the budget submission, send GSA and OMB a listing of all projected software requirements, by category, for the next two fiscal years (for example in September 2004, provide data for FY 2005 and 2006). GSA will request agencies to update their projections when GSA is ready to pursue a new SmartBuy opportunity.
10. GSA will publish SmartBuy deals in FedBizOpps prior to any negotiations to ensure there is competition and visibility into the procurement process.

**Clarification regarding duplication of E-Government Initiatives:**

Agency CIOs and SPEs shall issue instructions by March 15, 2004 on the review of all planned IT acquisitions for potential duplication with the President's 24 E-Government initiatives (Attachment 2). If

a potential duplication is found, the CIO will contact the managing partner of the initiative and the OMB E-Government Administrator for a recommendation on whether the agency acquisition should proceed or be cancelled by the agency and included in the E-Government Initiative.

We appreciate your agencies' assistance in the implementation of the SmartBuy and E-Gov initiatives. This memorandum is intended only to improve the internal management of the executive branch, and is not intended to, and does not, create any right or benefit, substantive or procedural, enforceable at law or in equity, against the United States, its departments, agencies, or other entities, its officers or employees, or any other person.

Please contact Tad Anderson (202-395-0346) from OMB with any questions about these requirements. The GSA contact is Bob Suda from FTS (703-306-6101). Agencies should contact Bob Suda, the SmartBuy program manager, with any questions regarding implementing this guidance.

Attachments

## **Attachment 1 - Software Market Categories under Consideration**

- 1) AntiVirus
- 2) Database
- 3) Disaster Recovery
- 4) Document Imaging
- 5) Enterprise Resource Planning (Human Resource and Personnel Management, Finance Application)
- 6) Geospatial Information Systems
- 7) Network Management
- 8) Office Automation
- 9) Open Source
- 10) Statistical analysis

## Attachment 2 - E-Gov Initiative Project Descriptions

### Government to Citizen

#### **Recreation One-Stop (DoI) [www.recreation.gov](http://www.recreation.gov)**

Provides a single-point of access, user-friendly, web-based resource to citizens, offering information and access to government recreational sites.

#### **GovBenefits.gov (DoL) [www.govbenefits.gov](http://www.govbenefits.gov)**

Provides a single point of access for citizens to locate and determine potential eligibility for government benefits and services.

#### **E-Loans (ED)**

Creates a single point of access for citizens to locate information on federal loan programs, and improves back-office loan functions.

#### **USA Services (GSA) [www.firstgov.gov](http://www.firstgov.gov) 1-800-FedInfo and Pueblo CO 81009**

Develop and deploy government-wide citizen customer service using industry best practices that will provide citizens with timely, consistent responses about government information and services.

#### **IRS Free File (Treasury) [www.irs.gov/app/freefile/welcome.jsp](http://www.irs.gov/app/freefile/welcome.jsp)**

Creates a single-point of access to free on-line preparation and electronic tax filing services provided by Industry Partners to reduce burden and costs to taxpayers.

### Government to Business

#### **E-Rulemaking (EPA) [www.regulations.gov](http://www.regulations.gov)**

Allows citizens to easily access and participate in the rule making process. Improves the access to, and quality of, the rulemaking process for individuals, businesses, and other government entities while streamlining and increasing the efficiency of internal agency processes.

#### **Expanding Electronic Tax Products for Businesses (Treasury) [www.irs.gov](http://www.irs.gov)**

Reduces the number of tax-related forms that businesses must file, provides timely and accurate tax information to businesses, increases the availability of electronic tax filing, and models simplified federal and state tax employment laws.

#### **Federal Asset Sales (GSA) [www.firstgov.gov](http://www.firstgov.gov)**

Identify, recommend, and implement improvements for asset recovery and disposition, making it easier for agencies, businesses, and citizens to find and acquire/buy federal assets.

#### **International Trade Process Streamlining (DoC) [www.export.gov](http://www.export.gov)**

Makes it easy for Small and Medium Enterprises (SMEs) to obtain the information and documents needed to conduct business abroad.

#### **Business Gateway (SBA) [www.business.gov](http://www.business.gov)**

Reduces the burden on businesses by making it easy to find, understand, and comply (including submitting forms) with relevant laws and regulations at all levels of government.

#### **Consolidated Health Informatics (HHS)**

Adopts a portfolio of existing health information interoperability standards (health vocabulary and messaging) enabling all agencies in the federal health enterprise to “speak the same language” based on common enterprise-wide business and information technology architectures.

### Government to Government

#### **Geospatial One-Stop (DoI) [www.geodata.gov](http://www.geodata.gov)**

Provides federal and state agencies with single-point of access to map-related data enabling consolidation of redundant data.

#### **Disaster Management (DHS) [www.disasterhelp.gov](http://www.disasterhelp.gov)**

Provides federal, state, and local emergency managers on-line access to disaster management related information, planning and response tools.

#### **SAFECOM (DHS)**

Serves as the umbrella program within the Federal government to help local, tribal, State and Federal public safety agencies improve public safety response through more effective and efficient interoperable wireless communications. As a public safety practitioner driven program, SAFECOM is working with existing Federal

communications initiatives and key public safety stakeholders to address the need to develop better technologies and processes for the cross-jurisdictional and cross-disciplinary coordination of existing systems and future networks.

**E-Vital (SSA)**

Establishes common electronic processes for federal & state agencies to collect, process, analyze, verify and share death record information. Also promotes automating how deaths are registered with the states.

**Grants.gov (HHS) [www.grants.gov](http://www.grants.gov)**

Creates a single portal for all federal grant customers to find, apply and ultimately manage grants on-line.

**Internal Efficiency and Effectiveness**

**E-Training (OPM) [www.golearn.gov](http://www.golearn.gov)**

Create a premier e-training environment that supports development of the Federal workforce through simplified and one-stop access to high quality e-training products and services, and, thus, advances the accomplishment of agency missions.

**Recruitment One-Stop (OPM) [www.usajobs.gov](http://www.usajobs.gov)**

Outsources delivery of USAJOBS Federal Employment Information System to deliver state-of-the-art on-line recruitment services to job seekers including intuitive job searching, on-line resume submission, applicant data mining, and on-line feedback on status and eligibility.

**Enterprise HR Integration (OPM) [www.opm.gov/egov](http://www.opm.gov/egov)**

Streamlines and automates the electronic exchange of standardized HR data needed for creation of an official employee record across the Executive Branch. Provides comprehensive knowledge management workforce analysis, forecasting, and reporting across the Executive Branch for the strategic management of human capital.

**E-Clearance (OPM) [www.opm.gov/egov](http://www.opm.gov/egov)**

Streamlines and improves the quality of the current security clearance process.

**E-Payroll (OPM) [www.opm.gov/egov](http://www.opm.gov/egov)**

Consolidates 22 federal payroll systems to simplify and standardize federal human resources/payroll policies and procedures to better integrate payroll, human resources, and finance functions.

**E-Travel (GSA) <http://egov.gsa.gov>**

Provides a government-wide web-based service that applies world-class travel management practices to consolidate federal travel, minimize cost and produce superior customer satisfaction. From travel planning and authorization to reimbursement, the E-Travel Service (ETS) will leverage administrative, financial and information technology best practices to realize significant cost savings and improved employee productivity.

**Integrated Acquisition Environment (GSA) [www.bpn.gov](http://www.bpn.gov) [www.fedbizopps.gov](http://www.fedbizopps.gov) [www.fedteds.gov](http://www.fedteds.gov) [www.ppirs.gov](http://www.ppirs.gov) [www.wdol.gov](http://www.wdol.gov) <https://fpds.gov> [www.epls.gov](http://www.epls.gov) [www.contractdirectory.gov](http://www.contractdirectory.gov)**

Creates a secure business environment that will facilitate and support cost-effective acquisition of goods and services by agencies, while eliminating inefficiencies in the current acquisition environment.

**E-Records Management (NARA)**

Provides policy guidance to help agencies to better manage their electronic records, so that records information can be effectively used to support timely and effective decision making, enhance service delivery, and ensure accountability. Four major issue areas: Correspondence management, Enterprise-wide electronic records management, Electronic Information Management Standards, Transferring permanent records to NARA.

**Cross-Cutting**

**E-Authentication (GSA) [www.cio.gov/eauthentication](http://www.cio.gov/eauthentication)**

Minimizes the burden on businesses, public and government when obtaining services on-line by providing a secure infrastructure for on-line transactions, eliminating the need for separate processes for the verification of identity and electronic signatures.