



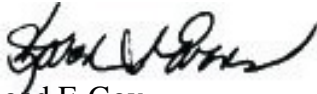
EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503


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August 25, 2005

MEMORANDUM FOR: CHIEF ACQUISITION OFFICERS
CHIEF INFORMATION OFFICERS

FROM:

Karen S. Evans 
Administrator, IT and E-Gov

David H. Safavian 
Administrator, Office of
Federal Procurement Policy

SUBJECT: SmartBUY Agreement with Oracle

As you know, a SmartBUY agreement has been reached with Oracle USA, Inc. This agreement is the result of a joint effort by the General Services Administration's (GSA) SmartBUY Program Management Office and the Department of Defense's (DOD) Enterprise Software Initiative.

This agreement offers some of the most aggressive pricing ever achieved across the Federal Government and it is a required source of supply for Oracle's database and database with security software products. Attached you will find a fact sheet that provides more detail on this agreement and how it can be accessed.

Although SmartBUY does not mandate particular application solutions, agencies are encouraged to use this agreement to acquire other Oracle products whenever they are selected as a technical solution. Agencies may engage in discussions with Oracle to acquire application solutions from its other product lines.

Agencies achieving further product discounts from Oracle are required to provide SmartBUY with a copy of the actual quote and supporting requirement information. If you have any questions concerning the Oracle agreement, please contact Pebble Randolph of the GSA SmartBUY staff at pebble.randolph@gsa.gov.

Attachment

DoD ESI/SmartBUY Oracle Agreement Fact Sheet

SmartBUY Program Overview

The Office of Management and Budget created the SmartBUY initiative to ensure that the federal government had the opportunity to leverage its buying power to achieve maximum cost savings and best quality for commodity software. SmartBUY is a government-wide enterprise software licensing initiative that streamlines the acquisition process and provides best priced, standards-compliant Information Technology (IT). SmartBUY does not mandate the use of a particular brand; rather, it mandates the use of the cost-effective common vehicle when an agency decides to purchase the software of a designated brand.

The U.S. General Services Administration (GSA) is designated the Executive Agent for the program under Section 5112(e) of the Clinger-Cohen Act, 40 U.S.C. 11302(e), and leads the interagency team in negotiating government-wide enterprise licenses for software.

The SmartBUY Agreement with Oracle

This SmartBUY agreement with Oracle allows all federal agencies to purchase Oracle databases and other software titles at significant discounts. It is based on a modification to a U.S. Department of Defense (DoD) Enterprise Software Initiative (ESI) Blanket Purchase Agreement (BPA) conducted via GSA Schedule. Other vendors participating in the BPA are DLT, Mythics, and Northrop Grumman.

The SmartBUY agreement with Oracle includes the following incentives for using the enterprise licenses:

- Discounts for the purchase of enterprise licenses ranging from 75% to 84% off list price;
- Enterprise license add-on purchases are available at the same discount range from 75% to 84%;
- The ability to add up to 3% additional users to enterprise licenses at no additional charge; and
- Purchases do not require a minimum order.

Discounts also exist for non-enterprise database and e-Business software purchases. A new tier has been added to the existing BPA that qualifies these purchases for discounts up to 45% per single order. Aggregating orders also allows federal customers to earn greater discounts.

The SmartBUY agreement is a mandatory source for purchasing Oracle database software. Licenses are transferable across the federal government (unless otherwise restricted to a specific program) in the event of an agency or interagency reorganization. The agreement also includes a “surge usage for national defense” clause providing federal customers additional resources, if needed, in mobilizing to support our nation’s defense.

Additional Oracle Benefits

Oracle is providing SmartBUY customers the following additional benefits:

- Three years of ZERO maintenance escalation (maintenance includes technical upgrades);
- Protection for Product and Functionality Changes;
- Expanded rights to use Oracle software during outsourcing;
- Discounts for professional services and on-site technical support services; and

Oracle will provide an updated price list at least quarterly. Oracle and its reseller-partners will agree that in no case shall the prices specified in SmartBUY be more than the prices reflected in their respective GSA contracts for identical products and first year technical support services.

Enterprise Software Initiative (ESI) Benefits for SmartBUY Customers

ESI offers a number of benefits for SmartBUY customers. These include

- Hosting special interest groups to share best practices and establish priorities for continuous improvement of SmartBUY;
- An ordering guide for SmartBUY;
- Knowledge sharing of Oracle business practice gained through over \$500M in sales and more than 700 transactions in the past six years alone;
- Co-marketing and advertising of SmartBUY at Army, Navy, DISA and Air Force IT conferences; and
- Training in Oracle business practices for SmartBUY personnel and customers.

ESI also is developing—with agency participation—a best practices guide to Oracle licensing. Information on the BPA and ordering is available on DoD ESI's Web site and the CIO Web site at:

- www.don-imit.navy.mil/esi
- www.cio.gov

BPA POINTS OF CONTACTS

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