




DEPARTMENT OF THE TREASURY
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Acquisition Bulletin
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MEMORANDUM FOR BUREAU CHIEF PROCUREMENT OFFICERS AND
BUREAU CHIEF INFORMATION OFF

FROM:


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SmartBUY Initiative and Enterprise License Agreements

SUBJECT: SmartBUY Initiative and Enterprise License Agreements

Purpose: This Acquisition Bulletin (AB) provides information and establishes procedures regarding the processing of requisitions involving the acquisition of commercial software products.

Effective Date: This AB is effectively immediately.

Expiration Date: This AB will expire when it is either cancelled or superseded.

Background: SmartBUY is one of several e-government initiatives outlined in the President's E-Gov initiatives. This government-wide enterprise licensing initiative is intended to lower the cost of software for individual agencies by purchasing common applications in the largest bulk possible. SmartBUY enterprise software agreements will consolidate the purchasing power of the federal government by focusing these volume requirements to obtain optimal pricing and preferred terms and conditions for widely used commercial software. SmartBUY is anticipated to

provide the government with lower prices while vendors get higher sales volume at lower cost due to the simplified approach to dealing with federal customers.

The SmartBUY team, led by the GSA, will develop enterprise software agreements for the federal government for selected commodity-type software, especially where there is opportunity for substantial savings. The focus will be on a wide range of software types, including network management, antivirus, database, open source, disaster recovery, document imaging, Enterprise Resource Planning (human resource and personnel management, finance application), Geospatial Information Systems, statistical analysis, and office automation software (e-mail).

In the attached memorandum to agencies (Attachment I), the OMB has required usage of SmartBUY and outlined three components for agencies to meet as part of their mandatory participation in the SmartBUY initiative: (1) definition of current software agreements, prices, unique terms and conditions and future requirements; (2) development of a migration strategy that addresses any contractual barriers preventing the expeditious transition to the government-wide SmartBUY agreements; and (3) integration of common desktop and server software licenses under the leadership of the SmartBUY team, including refraining from renewing or entering into any new license agreement(s) without prior consultation with, and consideration of the views of the SmartBUY team.

The OMB has issued additional clarification and guidance on acquiring software, maximizing the use of SmartBUY and avoiding duplication of agency activities with the President's E-Gov initiatives in memorandums to Senior Procurement Executives and Chief Information Officers. These memorandums are provided for information and are included as Attachments 2 and 3.

The Office of the Procurement Executive (OPE) is working with the Office of the Chief Information Officer (OCIO) to ensure that the Department of the Treasury fulfills its obligations under the SmartBUY program. The primary objective of the OPE and the OCIO with regard to SmartBUY is to achieve the best possible pricing and terms for software products and to reduce financial risk from over commitment to unrealistic levels of software licensing.

ACTION:

In support of the OMB requirements, the renewal or establishment of new enterprise or bulk license agreements for commercial software may not be entered into without first contacting the OPE, who will coordinate with the OCIO and review the subject action.

The OPE representative is John Fallon, who will serve as the primary point of contact for this initiative. He may be contacted via email at John.Fallon@do.treas.gov or on (202) 622-0248.

Consistent with the Department's commitment to the SmartBUY program, the Treasury OPE will notify bureau procurement offices of all SmartBUY agreements specifically announced by GSA. Once bureaus receive such notification, any subsequent internal agreements or renewals for software included in a SmartBUY agreement will require a formal waiver from GSA as described below and in Attachment 4.

GSAYs SmartBUY Waiver Procedures dated August 6, 2004, are documented in Attachment 4. In compliance with these procedures, all Treasury Bureaus are required to submit formal waivers for any new or renewal enterprise or bulk software licensing agreements that include software specifically announced by GSA as subject to a SmartBUY agreement. Bureaus must obtain required waivers at least 30 days prior to the execution of such agreements. The Program Manager and/or Contracting Officer for the requirement must submit a coordinated waiver that has the concurrence of both the Bureau's Procurement Office and Office of the Chief Information Officer. Waivers should be prepared in accordance with the sample format included in Attachment 4 and submitted electronically to the Treasury OPE representative (see above) with approval certifications by the Bureau Chief Procurement Officer and CIO. Upon receipt, the OPE will process the subject waiver request for signature by the Senior Procurement Executive and forward it to the OCIO for signature by the Department of the Treasury's Chief Information Officer. Once completed, the Treasury OCIO will formally submit this request to the GSA SmartBUY Team. The Treasury OCIO will advise the OPE whether or not the waiver was granted within 30 days of receipt of the waiver request.

The interagency SmartBUY team has begun working on license agreements for the following software product lines: Adobe, McAfee, IBM, SAS, Symantec, Veritas, Corel, ISS, SAP, Microsoft, Oracle, Peoplesoft, and Computer Associates. These products will require the closest coordination of requirements, licenses and agreements.

SmartBUY agreements have been reached with Environmental Systems Research Institute (ESRI), Manugistics, Winzip, and Novell. For status regarding current or future SmartBUY agreements, go to: <http://intranet.treas.gov/cio/es/els/>

Any new awards (including contracts, orders, modifications or Blanket Purchase Agreements) for products which have been targeted by the SmartBUY team should, as stated in Attachment 4 (SmartBUY Waiver Process), include a SmartBUY Transition Clause. Following approval of the waiver and OMB approval of your requirement, the OPE will provide the appropriate SmartBUY terms and conditions for incorporation into your award documents.

ATTACHMENTS:

- 1. Office of Management and Budget Memorandum, M-03- 14, dated June 2, 2003**

- <http://www.whitehouse.gov/omb/memoranda/m03-14.html>
2. **Office of Management and Budget Memorandum; M-04-08, dated February 25, 2004**
<http://www.whitehouse.gov/omb/memoranda/fy04/m04-08.pdf>
 3. **Office of Management and Budget Memorandum; M-04- 16, dated July 1, 2004**
<http://www.whitehouse.gov/omb/memoranda/fy04/m04-16.html>
 4. **SmartBuy Waiver Process, issued by GSA, dated August 6, 2004**
<http://www.cio.gov/index.cfm?function=specdoc&id=546>