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Bulletin

Title: Acquisition of Oracle Software - Mandatory Use

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Originating Office: Acquisition and Property Division, Policy Branch,
                         AFM, ARS

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This Bulletin establishes policies and procedures used to procure Oracle database software under the GSA SmartBUY Program.

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1. Background

SmartBUY is an initiative of the Federal Government to support effective enterprise level software management through Governmentwide savings achieved through volume buying of commercial software. GSA is designated as the Executive Agent under the Clinger-Cohen Act for SmartBUY interagency initiatives and leads the interagency team in negotiating Governmentwide enterprise licensing for commercial, off-the-shelf software that is generally acquired using licensing agreements. GSA publishes SmartBUY opportunities in Federal Business Opportunities (FedBizOpps) prior to any negotiations to ensure there is competition and visibility into the procurement process.

As directed by Memorandum M-03-14, issued by Office of Management and Budget (OMB), (http://www.whitehouse.gov/omb/memoranda/m03-14.html), agencies are required to meet the following annual objectives as a part of their mandatory participation in the SmartBUY Program: (1) collection of information of all current and anticipated needs for relevant software, including pricing and unique terms and conditions; (2) development of a migration strategy to transition into the Governmentwide SmartBUY program as quickly as practicable; and (3) integration of common desktop and server software licenses under the leadership of the SmartBUY team, including refraining, to the maximum extent possible, from renewing or entering into new license agreements without prior consultation with and consideration of the views of the SmartBUY team. GSA will use this information to negotiate potential software contracts for Governmentwide use.

Collection of this information will be coordinated with the ARS, Office of the Chief Information Officer, through the USDA, Office of Procurement and Policy Management (OPPM), and sent to GSA and OMB. GSA will request agencies to update their projections when GSA is ready to pursue a new SmartBUY opportunity.

The SmartBUY initiative includes the following types of software licenses: Office Automation; Network Management; Antivirus; Database; Business Modeling Tools; and Open Source Software Support.

2. Policy

OMB, by issuance of Memorandum M-03-14, required the use of the GSA SmartBUY contracts for all Oracle products and services as stated above.

OMB provided additional clarification and guidance on acquiring software under memorandum number M-04-08, Maximizing Use of SmartBUY and Avoiding Duplication of Agency Activities with the President's 24 E-Gov Initiatives (http://www.whitehouse.gov/omb/memoranda/fy04/m04-08.pdf) and memorandum number

M-04-16, Software Acquisition (http://www.whitehouse.gov/omb/memoranda/fy04/m04-16.html).

3. Procedures

Personnel are referred to the Acquisition and Property Division Alert 2005-10 for acquiring brand name specific software prior to initiating an Oracle purchase.

RESPONSIBILITY – Program Office

If Oracle software is required, the Program Office should submit a written justification to the contracting office indicating that a "particular brand name, product, or feature is essential to the Government's requirements, and market research indicates other companies' similar products, or products lacking the particular feature, do not meet, or cannot be modified to meet, the agency's needs." If the aforementioned written documentation is submitted to and approved by the contracting office, the requirement will be processed accordingly.

For general Information Technology (IT) requirements over $25,000, Program Offices are expected to follow existing internal USDA policy for IT acquisition approvals (previously known as "IT waivers"). The approval process can be found at www.ocionet.usda.gov/ocio/waivers/itprocess.html.

To purchase Oracle products <u>outside</u> of the SmartBUY contract, you <u>must</u> obtain a waiver at **any** dollar level. Waivers are detailed in Section 5 of this document.

RESPONSIBILITY – Contracting Office
GSA has negotiated a Blanket Purchase Agreement (BPA) under the Federal Supply Schedule to be utilized for SmartBUY purchases. Depending on the Oracle product or service being acquired, the contracting office will place orders under the terms and conditions of the following GSA Federal Supply Schedule contracts:

Oracle – GS-35F-0108J
DLT Solutions, Inc. (DLT) – GS-35F-4543G
Mythics, Inc. (Mythics) – GS-35F-0279J
Northrop Grumman – GS-35F-0153M

A complete listing of products available under the BPA may be found at the following address under "SmartBUY Product List"
http://ascp.monmouth.army.mil/scp/contracts/viewcontract.jsp?cNum=DAAB15-99-A-1002
See Section 4 for specific ordering instructions.

4. Ordering

Vendors were each awarded specific line items under the BPA. One set of Contract Line Item Numbers (CLIN's) was issued for Enterprise Licenses, the other set of CLIN's was issued for BPA Items Other than License Agreements. In accordance with FAR Part 8.405-3(b)(1), Contracting Officers (CO's) may place orders directly to the company offering the particular CLIN being requested. Order procedures may be found at the following address under "BPA Ordering Instructions":
http://ascp.monmouth.army.mil/scp/contracts/viewcontract.jsp?cNum=DAAB15-99-A-1002.

FEE FOR SERVICE

Orders under the BPA are subject to a 2 percent Acquisition, Contracting and Technical (ACT) fee. This fee shall be provided under CLIN 1004 of each order.

All orders **MUST** be sent through the Small Computer Program, Centralized Order Processing Office (COPO) for verification and validation, accompanied by the ARS issued cover letter (Enclosure 1). BPA contract number DAAB15-99-A-1002 must be included on each order.

The COPO will forward each validated order to the appropriate vendor, the specified Contract Administration Office, and the specified Payment Office. The ordering office, in accordance with their local procedures, shall make the remaining distribution.

COPO address is as follows:
US Army Small Computer Program (ASCP)
ATTN: SFAE-PS-EI-SCP
Building 283, Squier Hall
Fort Monmouth, NJ 07703-5605
Voice: 1-888-232-4405
Fax: 732-427-6763

The vendor will only accept "hardcopy" orders that have been processed through the ASCP COPO office. Orders shall include ordering activity, agency, administrative office (if different), payment office, point of contact phone number and e-mail, and acceptance authority (COR) and e-mail address. Service orders must also include description, statement of work, period of performance, and place of performance.

5. WAIVERS

You must obtain a waiver to purchase Oracle products or services outside of the SmartBUY contract at any dollar level. Waiver requests must first be routed through and approved by Michael J. Harrison, USDA Chief Acquisition Officer (CAO) as well as David M. Combs, Acting Chief Information Officer (CIO), prior to submittal to GSA for consideration. USDA organizations are not to submit waiver requests directly to GSA. Waivers are to be used in

emergency situations only until the requirement can be transitioned into SmartBUY. NOTE: GSA and OMB advise that few waivers will be granted.

Waivers should be submitted through the Agency OCIO using the sample waiver requests letter included in this issuance (Enclosure 2) to the CIO using the same procedures used for the IT acquisition approvals. The CIO will coordinate the review of SmartBUY waiver requests with OPPM. OPPM will convey waiver requests in which the CIO and CAO have concurred to GSA.

LARRY CULLUMBER
Director
Acquisition and Property Division

US Army Small Computer Program (ASCP)
ATTN: SFAE-PS-EI-SCP
Building 283, Squier Hall
Fort Monmouth NJ 07703-5605

Subject: Order against GSA SmartBUY BPA Number DAAB15-99-A-1002

Enclosed is Order Number (insert order number) to be issued to (insert vendor) to purchase (insert product/service) against the above referenced BPA.

Please forward the order for processing in accordance with the order procedures located at https://ascp.monmouth.army.mil/scp/contracts/viewcontract.jsp?cNum=DAAB15-99-A-1002.

If additional information is needed, please contact me on (insert E-mail and Telephone number).

Sample waiver request letter format
(To be submitted to the CIO as stated in Section 4)

Mary Mitchell
DAA, Electronic Government and Technology
GSA
1800 F ST. NW, Room 2239
Washington, DC 20405
SmartBUYWaiver@gsa.gov

Date:

Dear Ms. Mitchell,

The *(agency)* is requesting approval to enter into a non-SmartBUY agreement for *(software publisher)* products which are (currently available through_____/has been announced as pending). This request is necessary because the (agency) has a compelling need based on (enter justification).   The following provides details of the potential agreement:

    Software Package: _____
    For use by (Department/Bureau/Organization):   _____
    Enterprisewide license   <u>yes or no</u>
    Number of seats, licenses, or processors: _____
    Length of time for requested waiver _____
    Software purchase price (separately include maintenance and support costs)
    Difference in costs for obtaining through existing SmartBUY agreement or if a SmartBUY agreement is not in place, the GSA schedule price. _____ (agency must include supporting documentation)

(Software publisher/reseller) has agreed to include language that, should a SmartBUY agreement be subsequently established for (software title) products and services under similar terms and conditions, (software publisher) will enter into good faith negotiations to lower its prices to its reseller(s) or allow the (agency) to move to the SmartBUY agreement. (Agency) also understands that contract options will be done on an annual basis.

Approval of this request will ensure near-term continuity of critical *(agency)* purchasing while providing the means to transition to the Governmentwide SmartBUY license agreements as quickly as practicable. For additional information, contact _____ on (telephone) or (email).

Sincerely,

(Agency CAO and CIO)

(name)
(title)