

ARS ' CSREES ' ERS ' NASS

Bulletin

Title: Information Technology (IT) Acquisition Waivers for Significant IT Acquisitions – **ARS ONLY**

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Originating Office: Office of the Chief Information Officer, ARS

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This bulletin identifies the requirements and procedures for requesting an Information Technology (IT) acquisition waiver as required by the USDA Office of the Chief Information Officer (OCIO). It also includes a template and instructions for preparing the acquisition waiver memorandum. This bulletin replaces Bulletin 01-001, dated December 28, 2001.

Background

This Bulletin specifies the current requirements and procedures to be followed for IT acquisitions under the IT moratorium. On November 12, 1996, the Deputy Secretary of USDA placed a moratorium on all significant Information Technology (IT) acquisitions. Initially, the USDA Chief Information Officer (OCIO) defined “significant” as those acquisitions over \$250,000. On May 13, 2003, the OCIO reduced the threshold to \$25,000 for significant IT acquisitions to better ensure that:

- agencies are spending their IT resources on their highest priorities;
- acquisition proposals are in compliance with applicable laws, rules, and standards; and
- acquisition proposals do not duplicate any systems included in the Departmental administrative and financial portfolio or eGovernment initiatives.

General Requirements

Generally, most proposed IT acquisitions exceeding \$25,000 in total cost must obtain an approved waiver from the USDA OCIO. Some IT acquisitions, regardless of dollar value, also require an approved waiver. See *Acquisitions Subject to the IT Moratorium* section of this Bulletin. Exceptions to the waiver requirement are described in the *Acquisitions Exempt from the IT Moratorium* section of this Bulletin. To obtain an approved waiver, the requesting office must prepare a draft waiver request memorandum. The format and specific information required in the waiver request are included in Exhibit 2, Format for IT Moratorium Waiver Request.

Each IT acquisition waiver request must include an information systems security plan that identifies security requirements and considerations for system and/or technology implementation and operation. The information systems security plan must address the level of security warranted for the system and/or technology and a description of the specific measures that will be taken to ensure system security. Historically, the USDA OCIO will not approve significant acquisitions for which IT security measures have not been adequately identified and addressed. Other supporting documents which may be required for certain acquisitions are identified in Exhibit 2.

The procedure to request a waiver follows a well-defined series of actions (see Exhibit 1 – Waiver Procedure). If the waiver is approved, the USDA OCIO will issue an approval memorandum to the requesting office indicating that they may proceed with the procurement action. The approved waiver will typically also include conditions or follow-up actions which the requesting office must comply with in conjunction with the procurement action.

It normally takes a minimum of eight weeks from the time a draft waiver request is submitted by the requesting office before the USDA OCIO makes a final decision on the

request. This time frame should be considered during your acquisition planning process. Additionally, waiver requests for year end procurements should be submitted to ARS OCIO by late June to accommodate the heavy volume of waiver requests and procurements being processed and ensure timely submission and subsequent approval by the USDA OCIO.

Acquisitions Subject to the IT Moratorium

Acquisitions of the following technologies and services **totaling \$25,000 or more** are subject to the IT moratorium and require an approved waiver prior to procurement:

- IT hardware and software acquisitions including, but not limited to, desktop, laptop, handheld, and other computers; file servers and other network equipment; printers, scanners, and other peripheral equipment; and computer and network software
- Telecommunications equipment including, but not limited to, circuits, switches, routers, hubs, cabling, wide-area network access, analog/digital/wireless data transmission equipment (switched data, ISDN, frame relay, DTS, ATM, microwave, satellite), video technology, and voice transmission (PBXs, key systems, and FTS2001 voice circuits)
- Support services including, but not limited to, systems development contracts, maintenance contracts, and consulting services. This moratorium applies to orders against all existing contracts and General Services Administration schedules.

Acquisitions of the following technologies, systems, and services, **regardless of dollar value**, require an approved waiver prior to procurement:

- Hardware, software, and services for major systems within the functional areas of the Department's Corporate Administrative and Financial Systems Portfolio. Specifically, the functional areas include: accounting/budget execution, budget formulation/salary projections, human resources, procurement (purchase card and other acquisitions), property (personal and real), payroll, and travel.
- Hardware, software, and services that overlap or duplicate any of the USDA or Presidential eGovernment activities including: web page design and development, search engines, portals products, content management, taxonomy, document and records management, electronic training, authentication services, etc.
- Telecommunications acquisitions that have not met the Telecommunications Network Stabilization and Migration Program requirements
- Internet access utilizing any external provider other than the USDA Internet Access Network (IAN)

Acquisitions Exempt from the IT Moratorium

The following acquisitions are exempt from the IT Moratorium and are not subject to the waiver process.

- The renewal of existing contracts for maintenance and leases and software license renewals, so long as the optional enhancements and/or upgrades do not exceed the \$25,000 threshold
- Telecommunications services and equipment below the \$25,000 threshold planned for purchase from the FTS2001 contract and entered into the Forecast, Inventory and Reporting (FIR) database
- Non-dedicated network access equipment and services below the \$25,000 threshold

Procurement Processing for Significant IT Acquisitions

Each requisition (AD-700) over \$25,000 forwarded to any Agency Contracting Office must have the USDA OCIO's approved waiver attached. Requirements should not be split in order to circumvent the \$25,000 threshold, and the spirit of the moratorium will be observed for acquisitions below \$25,000.

Contracting Officers should not award a contract/order for an IT acquisition costing over \$25,000 without an approved waiver from USDA unless the acquisition meets the exceptions previously listed. To support the requirement of strong enforcement of the moratorium, the USDA OCIO staff will conduct random checks of contract files of USDA agencies and monitor the Federal Business Opportunities website (www.FedBizOpps.gov), which is the single government point-of-entry for Federal government procurement opportunities over \$25,000, to ensure that acquisitions subject to the moratorium are supported by an approved waiver.

No obligation of funds or intergovernmental transfer of funds will be processed for significant IT acquisitions until an approved waiver is obtained from the USDA OCIO.

Obtaining a Waiver

The requesting office submits a draft waiver request to the ARS OCIO. The ARS OCIO will review the draft waiver request, then prepare the final waiver memorandum and supporting documentation for the Administrator's signature. The USDA OCIO requires the Agency Administrator to submit all waiver requests on behalf of the Agency.

The USDA OCIO will conduct a technical review of the waiver request prior to approval to ensure it complies with applicable standards and requirements (including cybersecurity, hardware/software standards, network and telecommunications, enterprise architecture, eGovernment, etc.). For waivers concerning financial and mixed systems, the USDA OCIO consults with the Office of the Chief Financial Officer. For waivers involving administrative systems, the USDA OCIO consults with the Assistant Secretary for Administration.

Specific waiver procedures are identified in Exhibit 1. Exhibit 2 provides the format for the waiver request memorandum.

The USDA OCIO maintains a status list of all open waiver requests and other waiver request information at the following link: <http://www.ocio.net.usda.gov/ocio/waivers/index.html>

Exhibits

- 1 Waiver Procedure
- 2 Format for IT Moratorium Waiver Request

Dr. Melinda L. McClanahan,
Chief Information Officer, ARS

Date

Exhibit 1 - Waiver Procedure

Cognizant Office	Action
Requesting Office	<ul style="list-style-type: none"> • Develops draft waiver request and other required documents. The requesting office is responsible for ensuring that the waiver request has been reviewed and approved by the designated officials. • Forwards the draft waiver request and supporting documents to the ARS OCIO for review. Uses attached template (Exhibit 2) to prepare the draft waiver request.
ARS OCIO	<ul style="list-style-type: none"> • Reviews the draft waiver request to ensure it is in compliance with applicable standards and requirements. • Prepares and forwards the final waiver request to the Agency Administrator for signature. • Sends copy of the signed waiver request to the requesting office.
Agency Administrator	<ul style="list-style-type: none"> • Reviews, signs, and forwards the waiver to the USDA OCIO with a copy to the ARS OCIO.
USDA OCIO	<ul style="list-style-type: none"> • Reviews the waiver request. • Issues a decision memorandum to the Agency Administrator with copies to the requesting office and the ARS OCIO.
Requesting Office	<ul style="list-style-type: none"> • Receives the decision memorandum from the USDA OCIO. If the waiver has been approved, a copy of the approved waiver decision memorandum is attached to the applicable procurement documents. • Complies with all conditions and follow-up actions referenced on the approved waiver decision memorandum. <p>NOTE: Obtaining an approved waiver from the USDA OCIO does not replace or circumvent the necessary procurement, budgetary, or managerial approvals normally required for a procurement action.</p>

Exhibit 2 - Format for IT Moratorium Waiver Request

TO: Chief Information Officer

FROM: Administrator

SUBJECT: Request for Information Technology Acquisition Waiver

Note: All sections described below must be included in the waiver memorandum. If any of the following sections are not applicable, indicate "not applicable." If the information required is not yet known or will be developed at a later time, include a brief statement explaining the circumstances. Also, make sure all acronyms are spelled out the first time they are referenced in this memorandum.

Background

Briefly describe the purpose, objectives, and benefits of the system or acquisition. Also include how the acquisition relates to and supports the Agency mission. The opening statements in this section should state the name and location of the requesting office, the nature of the acquisition, the total cost, and the year funded (*i.e.*, *The Agricultural Research Service (ARS), Beltsville MD requests an IT acquisition waiver for FY 20XX in the amount of \$XX,XXX. The waiver request is for the acquisition of...*)

Justification

Provide a justification and a description of how the acquisition will benefit the requesting office, and address the consequences or impact if the system or acquisition is not approved.

Description of Acquisition

Provide a list of all proposed acquisitions including the following information. (If the acquisitions will be funded in multiple fiscal years, list separately for each year.)

Hardware and Software:

- C Technical description of hardware and software
- C Manufacturer, model name, and number (if available)
- C Quantity and cost

Contract or Support Services:

- C List of technical and business requirements
- C Statement of Work, if available
- C Start and completion dates
- C Contract cost

Architecture

Describe how the system or acquisition relates to and supports the USDA and ARS technical architectures. Also include the physical location of the system or acquisition.

Information Security

Include reference to enclosed Information Security Plan. Also indicate the date (or planned date) of the system Certification and Accreditation (C&A), if applicable.

Telecommunications

Describe any telecommunications issues relating to the system or acquisition. Any interfaces or physical connections should also be addressed.

Application Implementation

Identify the system or acquisition implementation plan. Key milestones and target dates should also be included.

Asset and Configuration Management

Identify the positions and/or organizations responsible for ensuring that the system or acquisition is consistent with USDA and ARS technical architectures, standards, policies, and operating procedures.

Program Management

Identify the position and/or organization responsible for overseeing the development and implementation of the system or application.

Budget Information

Provide a budget summary of the cost of the proposed acquisition broken-out by fiscal year and information technology category (hardware, software, support services).

FY 2XXX	
Software	\$
Hardware	\$
Support Services	\$
FY 2XXX Total	\$

If it is not known if funding will be available in the fiscal year indicated above, include the following note in this section: *“If funding for this proposed acquisition is not available in fiscal year 2XXX, procurement may be made in the following fiscal year, pending availability of funds.”*

Agency Contact

Name, telephone number, and email address of Agency point of contact

Attachments

The following must be provided, if applicable:

- Information System Security Plan
- Statement of Work (SOW)
- Network diagram (identifying any external connectivity)
- Vendor quotes
- Other relevant documents include system design plans, telecommunications plans, etc.
- IT Capital Investment cost information (provided by ARS OCIO)

DECISION BY THE CHIEF INFORMATION OFFICER

Approve: _____

Disapprove: _____

Discuss with me: _____

Reviewed by: _____

Date: _____