U.S. Department of Transportation

Office of the Secretary
of Transportation

1200 New Jersey Avenue, SE
Washington, DC 20590

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MEMORANDUM TO: Heads of Operating Administrations

FROM: Linda J. Washington
Assistant Secretary for Administration

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Assistant Secretary for Budget and Programs/
Chief Financial Officer (CFO)

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SUBJECT: Department-wide Strategy for a
Consolidated Procurement System

This memorandum establishes a Department-wide strategy of migrating to a standard consolidated procurement system that is integrated with DOT's Delphi financial system. Consolidating the multiple DOT procurement systems that now exist will significantly enhance Department-wide spend analysis and reporting capabilities while reducing the cost of software maintenance, application support and system hosting. Integrating our procurement system with Delphi will enhance the financial reports provided to DOT program managers, streamline business processes, eliminate duplicate manual data entry and support commitment accounting.

This effort is being planned and coordinated jointly by our offices working closely with Operating Administration (OA) procurement system experts. The DOT Procurement Management Council (PMC), CFO Council and CIO Council have all been briefed on this initiative. An expanded list of benefits is provided below.

Action

In support of this strategy, all OAs are requested to cease any planned short-term efforts to upgrade their unique stand-alone PRISM systems and to redirect those resources towards migrating to the new standard consolidated procurement solution. Requests for exceptions to this policy will be considered jointly by our offices on a case-by-case basis.

Background

Over the years, the OAs have implemented individual stand-alone procurement systems
to meet their procurement management needs. All OAs but one have already purchased licenses
and implemented the PRISM procurement management system. Except for the Federal Aviation
Administration, none of the OA procurement systems is integrated with DOT's Delphi financial
system. The lack of integration requires duplicate manual data entry. More importantly, the lack
of a consolidated DOT procurement system limits our ability to ensure wise stewardship of our
resources.

In October 2007, the Enterprise Services Center (ESC) in Oklahoma City implemented
Phase 1 of a new standard PRISM system that is integrated with Delphi using state-of-the-art
Service Oriented Architecture (SOA) technology. This new system was designed based
on DOT procurement requirements that were documented by the Office of the Senior
Procurement Executive (M-60) with extensive input from OA procurement staff. Phase 1
of this new PRISM system has been in production since October 2007 for the Government
Accountability Office, one of the four external customers using our Delphi financial system and
ESC's accounting services. Phase 2 of the new system will be implemented this summer. The
ESC's integrated PRISM system will be the basis for the new DOT-wide procurement solution.

Migration Strategy

Procurement specialists and managers from M-60 and the OAs are conducting a detailed gap
analysis to ensure that the standard integrated PRISM system developed by the ESC fully meets
their needs. Following any necessary modifications, the OAs will begin planning their migration
to the standard consolidated system.

To support this effort, M-60 is finalizing a DOT-wide agreement with Compusearch,
the vendor that provides the PRISM software and support services. This agreement will:
(1) consolidate the OAs' existing PRISM software licenses into an unlimited DOT-wide
enterprise license, which will increase the number of available licenses while reducing annual
software maintenance costs, (2) provide technical support for migrating the OAs' stand-alone
PRISM systems to the consolidated solution, and (3) extend technical support
for the current OA versions of PRISM until their migrations have been completed.

The next steps in this migration strategy are:

1. ESC and Compusearch will set up a new standardized procurement solution using
   the most appropriate PRISM version for the One DOT solution. This consolidated system
   will be hosted at ESC and will have full SOA-based integration with Delphi.

   ➤ Standards for setting up and configuring this new PRISM solution will be agreed
     to jointly by the acquisition, finance, and IT communities with participation from ESC.

2. Compusearch will assist DOT with the appropriate cost effective data migration strategy to facilitate the conversion of existing OA PRISM instances to the new consolidated integrated system.

3. The OA procurement offices will review and clean up data in their stand-alone procurement systems and close out old contracts wherever possible.

Governance

Strategic direction and oversight for this joint initiative will be a responsibility shared among our offices and the ESC in close coordination with the Procurement Management Council. In addition, this project will be closely coordinated with the annual Delphi work plan, the Department's new Financial Management Business Transformation initiative, and the CIO's investment management practices.

As with other Departmental systems, technical direction and a formal Change Control Board (CCB) will directly involve the user organizations and will be guided by both Departmental and OA needs and priorities under the oversight of our offices. The system will meet all DOT information security requirements as well as the planning and oversight requirements for an OMB major investment.

Benefits

This joint effort among our offices and the OAs will provide significant benefits to the OAs and the Department, including:

- Extend the strategic alignment of the Department's resources enabling better performance management, decision making, and analysis.

- Significantly reduce both the annual PRISM software license maintenance costs and system hosting, operation, and support costs.

- Enhance DOT's ability to conduct Department-wide spend analyses, which will help ensure the most efficient use of OA and Department resources.

- Provide consolidated Departmental procurement reporting, including reporting required under the Federal Financial Assistance Tracking and Accountability Act (FFATA).

- Automate the entry of procurement-related financial data into Delphi, which will eliminate duplicate manual data entry and improve data quality and timeliness.

- Provide automated data quality assurance checks to validate accounting information and to ensure that funds are available before contracts are awarded.

- Automate entry of Commitment Accounting data, which will significantly improve the usefulness of the Delphi Status of Funds Report for program managers and enable them to sunset hundreds of "cuff records" systems throughout the Department.

- Relieve the OAs of the IT planning, hosting and security requirements of maintaining their own stand-alone procurement system, including the Budget Exhibit 300, system Certification and Accreditation, and hardware and Operating System support.

- Support the broader goals of our Department-wide Business Transformation initiative.

We look forward to continuing to work closely with your procurement, CFO and CIO managers and staff to ensure the successful implementation of a standard, consolidated integrated procurement solution for the Department.

cc:
Procurement Management Council
CFO Council
CIO Council