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OFFICE OF THE
EXECUTIVE SECRETARIAT

March 19, 2004

THE DIRECTOR

READ BY MOL

The Honorable Michael Leavitt
Administrator
Environmental Protection Agency
Washington, DC 20460

Dear Mr. Leavitt:

This letter is in response to an October 15, 2003, request by your agency to serve as an executive agent for government-wide acquisition of information technology (IT) services under the Recycling Electronics and Asset Disposition (READ) contract. Services offered under the READ contract would be designed to assist agencies in the management of their electronic inventories and the recycling and proper disposition of excess or obsolete electronic personal property in an environmentally responsible manner. I have decided to grant the designation through June 1, 2009, subject to the terms and other conditions stated in this letter.

General terms of designation

This designation, effective through June 1, 2009, is made pursuant to section 5112(e) of the Information Technology Management Reform Act ("Clinger-Cohen Act"), 40 U.S.C. 11302(e), which authorizes the Director of the Office of Management and Budget (OMB) to designate one or more heads of executive agencies as executive agents for government-wide acquisition contracts for IT (GWACs).

As an executive agent, the Administrator of the Environmental Protection Agency (EPA) is authorized to award and administer task orders on behalf of federal agencies under the READ contract for government-wide acquisition of comprehensive support services related to IT asset management, including logistical and inventory support, testing, auditing, tracking, data security, valuation, recycling, and technical support. The scope of this designation is limited to acquisitions of IT as defined in section 5002 of the Clinger-Cohen Act, 40 U.S.C. 11101. The READ contract shall be made available to agencies on a non-mandatory basis.

This designation is granted with the understanding that EPA will operate its GWAC in a manner that is contractually and fiscally sound. Among other things, EPA should undertake and promote thorough acquisition planning, consistent use of competition and contract incentives, such as through the competitive award of performance-based task orders, and proper contract management. Customers should have a clear understanding of their responsibilities so that orders are properly awarded and administered.

Benchmarks

This designation is granted with the further understanding that EPA will seek to achieve the following benchmarks over the next 5 years:

- A 10% annual increase in the ratio of recycled and/or reused items as compared to the total volume of electronic items received.
- A 10% average annual increase in cost savings over the first three contract years. This is the ratio of revenues generated by the recycler through remarketing and resale to the cost of recycling.
- Have 30 agencies/departments utilize the GWAC after the first three years of contract performance.

By September 15 of each year during the life of this designation, EPA should submit a report to OMB on its progress in achieving these benchmarks.

Financial management

EPA's annual report to OMB should also include a table, similar to that at Enclosure A, summarizing annual financial activity and expressly stating annual net gains or losses. Direct and indirect costs should be identified and accounted for consistent with the Statement of Federal Financial Accounting Standards 4.

We appreciate EPA's leadership in helping agencies gain access to the contract support they need to properly manage their electronic inventories. OMB looks forward to working with you in ensuring the READ GWAC facilitates successful attainment of the principles and benchmarks described in this designation.

Sincerely,



Joshua B. Bolten
Director

Enclosure

Enclosure A

**Fiscal Year Summary of
GWAC Revenue and Cost Information**

GWAC Name:	Projected FY	Actual FY
Revenues (fees received)		
Costs Direct		
Indirect		
Total		
Net gain or loss*		

* If other than "\$0", discuss strategy for re-calculating fees to correct differences between revenue and costs.