

Procurement & Property Division Policy Memorandum

Subject: Delegation of Procurement Authority for Federal Information Processing Resources		Number: 39-01
Distribution: ARS: AAOs PAOs PMOs BPMS NPS NAL IS AFM NASS ERS CSREES	Date: 8/22/96 phone number and contact updated 8/9/99	This Replaces: AGAR 439.7001(a) DR 5039-6, Section 7, Threshold Levels

Background

The recently signed Information Technology Management Reform Act of 1996 (ITMRA), authorizes Federal agencies to contract directly for Federal Information Processing (FIP) resources.

Policy Guidance

As a result of the above mentioned legislation, the Acting Director, Procurement and Property Management (PPM), USDA, has increased the base level of delegated FIP procurement authority for ARS to \$25,000,000 with the exception of a restriction on the acquisition or development of any automated procurement system, including upgrades or modifications to existing systems which total more than \$25,000 (see enclosure). Systems sponsored by the Modernization of Administrative Processes (MAP) Project Office and PPM are also exempt from this restriction. Existing delegations of contracting authority are not changed as a result of this new authority.

A Departmental Notice (DN) is being issued as an interim measure pending implementation of ITMRA at the Federal and USDA level. This DN will establish the base level of procurement authority at \$25,000,000.

Action Required by REE Take this increase in delegated procurement authority into consideration when planning FIP resource acquisitions.

PPD Point of Contact Policy Branch, 301-504-1725.

Approved: _____
 /s/
 Richard G. Irwin, Director
 Procurement and Property Division

Enclosure



United States
Department of
Agriculture

Office of
Assistant Secretary
for Administration

Procurement and
Property Management

Washington, D.C.
20250

MAR 28 1996

REPLY TO
ATTN OF: 5039

SUBJECT: Delegation of Procurement Authority for Federal Information Processing Resources

TO: Floyd Horn, Administrator
Agricultural Research Service

Office of Operations letter, dated September 12, 1995, delegated to Agricultural Research Service (ARS) unlimited contracting authority subject to the dollar limitations on Federal Information Processing (FIP) resources procurement authority established in Agriculture Acquisition Regulation (AGAR) Part 439.7001(b)(1) through (6).

Effective this date, your base level of delegated FIP procurement authority is increased to \$25,000,000, except as restricted below. This threshold applies to the total estimated dollar value of all the FIP resources (equipment, software, services and support services) to be acquired under a contract, including all optional items and all option periods. It applies to all acquisitions including specific make and model and sole source.

The \$25,000,000 delegation of FIP procurement authority is subject to the following restriction. A specific acquisition Delegation of Procurement Authority (DPA), issued by the Chief, Procurement Policy Division, Procurement and Property Management (PPM) or the Senior Procurement Executive, is required prior to acquisition or development of any automated procurement system, including upgrades or modifications to existing systems, regardless of dollar value. An automated procurement system, which may involve establishment and maintenance of procurement-related databases and information systems, document preparation, data manipulation and reporting, includes all or portions of the procurement function from requirement identification in the advance acquisition plan phase through requisition approval and submission, solicitation, evaluation, award, administration and contract closeout. Included in this restriction on exercise of FIP procurement authority are simplified acquisition procedures systems and electronic commerce initiatives such as that described in the "USDA Plan for Electronic Commerce in Acquisition". Systems sponsored by the Modernization of Administrative Processes (MAP) Project Office and PPM are exempt from this restriction. Modifications to existing systems, totaling less than \$25,000 per system per year, are also exempt from this restriction.

In general, no further reporting to this office will be required for acquisitions for which specific acquisition DPAs have been issued but which now fall within your increased authority. Further information regarding this transition will be provided by separate correspondence.



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Floyd Horn

2

A Departmental Notice (DN) canceling Departmental Regulation (DR) 5039-6, "Delegation of Procurement Authority for FIP Resources", is in process with an effective period of one year from date of issuance. This DN will establish the base level at \$25,000,000 and describe procedures for processing requests for increases in this threshold up to \$50,000,000. It is being issued as an interim measure pending implementation, both at the Federal level and within USDA, of the recently signed Information Technology Management Reform Act of 1996 (ITMRA).

One of the most significant changes effected by ITMRA is the repeal of the Brooks Act which was the legislation that established General Services Administration's (GSA's) exclusive procurement authority for FIP resources (information technology). ITMRA moves this authority and responsibility from GSA to Office of Management and Budget (OMB). When ITMRA is implemented, the authority of USDA to procure information technology will no longer be based on delegation(s) of procurement authority from GSA. OMB does not intend to retain a DPA system. Rather, executive agencies, such as USDA, will have the authority and accountability for procurement of information technology, with OMB's oversight and involvement through the budget process.

In consultation with the USDA Procurement Council representatives, this office will determine how the procurement-related changes made by ITMRA will be implemented within USDA. The level(s) at which FIP/information technology procurement authority will be set need to be established and a plan for transition from the existing GSA DPA system coordinated.

This letter constitutes a class deviation from AGAR 439.7001(a) and supersedes DR 5039-6, Section 7, Threshold Levels. Questions may be directed to me at (202) 720-9448 or David Shea of my staff at (202) 720-6206.



W R. Ashworth
Acting Director

cc: Richard G. Irwin, ARS
Deputy Administrators for Management