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STRATEGICALLY SOURCED COMMODITIES POLICY AND PROCEDURES

1. Purpose

This Management Directive (MD) identifies the commodities that the Department of Homeland Security (DHS) has strategically sourced, and outlines the policies and procedures for acquiring them.

2. Scope

This directive applies to all DHS Organizational Elements (OE) except the Office of Inspector General.

3. Authorities

- A. The Homeland Security Act of 2002, codified in Title 6, US Code.
- B. 41 U.S.C 426, Use of Electronic Commerce in Federal Procurement.
- C. Federal Acquisition Regulation (FAR) Part 7, Acquisition Planning.
- D. Department of Homeland Security Management Directive 0730, Strategic Sourcing Group Operations.

4. Definitions

A. **Acquisition**: Federal Acquisition Regulation (FAR) 2.101 (b) defines Acquisition as “the acquiring by contract with appropriated funds of supplies or services (including construction) by and for the use of the Federal Government through purchase or lease, whether the supplies or services are already in existence or must be created, developed, demonstrated, and evaluated. Acquisition begins at the point when agency needs are established and includes the description of requirements to satisfy agency needs, solicitation and selection of sources, award of contracts, contract financing, contract performance, contract administration, and those technical and management functions directly related to the process of fulfilling agency needs by contract.”

- B. **Commodities:** Goods and services acquired for consumption by DHS OEs.
- C. **Deregulated States:** For purposes of this directive, those states that permit electricity to be acquired competitively.
- D. **Enterprise License:** The legal contract between the software/service vendor that holds the legal right for software/service and the organization or individual who uses it. The definition includes single, multi, Original Equipment Manufacturers (OEM), volume license agreements, and other agreements that allow DHS and its Organizational Elements to use software/service.
- E. **Metropolitan Washington, DC, Area:** The geographic area bounded by the outer boundaries of the combined areas of the District of Columbia; Montgomery, Prince George's and Frederick counties in Maryland; and Arlington, Fairfax, Loudon, and Prince William counties in Virginia.
- F. **Office Supply:** A commercially available item with a single dollar value under \$300 that is consumed in the process of conducting DHS business. The definition includes, but is not limited to, items such as pens, paper, toner cartridges, paper clips, and other commonly acquired items to support DHS employees in performing their duties. The definition excludes hardware, software, furniture, or capital equipment.
- G. **Organizational Elements (OE):** See DHS MD 0010, paragraph 4.D., for the definition. For the purpose of this MD, the Office of Inspector General is excluded from this definition.
- H. **Purchase Card Holder:** A DHS (government) employee who has been issued a Government purchase card, or who is a warranted contracting officer and has been issued a Government purchase card.
- I. **Strategic Sourcing:** the process of managing a Department's spending in a logical category to emphasize various characteristics. These characteristics can include performance, price, total life cycle management costs, small business participation, vendor access to business opportunities, etc and are typically specific to the individual category.

5. Responsibilities

- A. **The Under Secretary for Management.** The Undersecretary for Management shall authorize the policy and procedures prescribed in this MD.
- B. **OE Purchase Card Holders and Contracting Officers.** Purchase Card Holders and warranted contracting officers are responsible for following the policies and procedures when ordering the strategically sourced commodities identified in this MD.

6. Policy and Procedures

A. Strategically Sourced Commodities.

The Strategic Sourcing Group, under the authority granted in Management Directive 0730, has evaluated the following commodities and established sources that are to be used when acquiring them. These commodities, and the governing policies and procedures when ordering and contracting for strategically sourced commodities, are found below. Acquiring these commodities is to be performed in conjunction with all applicable Federal government and DHS procurement laws, regulations, and policies.

1) Office Supplies:

a) Policy: All office supplies are to be acquired through the DHS EMALL Internet ordering portal (<http://www.emall.dla.mil>).

b) Exceptions to Mandatory Use of DHS EMALL:

(1) At locations where a National Institute for the Blind or National Institute for the Severely Handicapped (NIB/NISH) store provides service to a DHS office, the OE's policy on the use of the store prevails. The DHS EMALL portal is to be the only alternate source for acquiring office supply product requirements at these locations.

(2) At locations where the office supplies are to be consumed outside the borders of the fifty United States, i.e., Guam, Puerto Rico, US Virgin Islands, the use of the DHS EMALL is optional. This exception does not apply where supplies are ordered for delivery within the borders of the fifty United States for consumption on vessels operating in international waters.

c) Procedures: Purchase Card Holders and Contracting Officers must register to use DHS EMALL at <http://www.emall.dla.mil>, and will order office supplies using the contract vehicles provided at the EMALL ordering portal.

2) Enterprise Licenses:

a) General Policy and Procedures:

(1) Policy: DHS has strategically sourced software and enterprise license agreements with commercial vendors. The software and enterprise license agreements this MD covers are provided at dhsonline.dhs.gov (select Management, Acquisition, SSAS), hereafter, referred to as the DHS Online site.

(2) **Enterprise Licenses Covered by this MD:**

- (a) Microsoft
- (b) Oracle
- (c) Autonomy

(3) **Procedures:** Program Office personnel developing requirements for software and licenses and Contracting Officers designated as Ordering Officials are to review the DHS Online site for the software and enterprise licenses that are covered by this MD. All requirements for software and licenses listed at the DHS Online site are to be placed against the respective Blanket Purchase Agreement, unless an exception exists.

b) **Specific Policy, Procedures and Exceptions:**

(1) **Microsoft Licenses:**

(a) **Policy:** OEs are to order all Microsoft licenses listed at the DHS Online site from Blanket Purchase Agreement (BPA) COW-3A-0081. Only those Contracting Officers designated as Ordering Officials may place orders against the BPA. See the DHS Online site for a listing of these Ordering Officials.

(b) **Exceptions to Mandatory Use of DHS Contracts:**

- Office of Inspector General
- OEs with existing contact vehicles for Microsoft licenses must order the Microsoft licenses listed at the DHS Online site from BPA COW-3A-0081 upon expiration of that OE's existing contact vehicle.

(c) **Procedures:** Program Offices are to:

- Determine if a new license is required by contacting the requiring OE's technical Point of Contact (POC). The listing of OE POCs is available at the DHS Online site.
- Upon determining that a requirement exists, furnish the Ordering Official with a funded requisition.
- Ordering Officials are to place orders using BPA COW-3A-0081.

(d) **Assistance:** If assistance is needed to develop requirements or determine if a license is necessary, contact the requiring OE's technical POC or the Information Technology Solutions Management Center, via email, at: ITSMC@dhs.gov. The listing of OE Technical POCs is available at the DHS Online site.

(2) **Oracle Licenses:**

(a) **Policy:** All Oracle licenses listed at the DHS Online site are to be acquired from Blanket Purchase Agreement (BPA) COW-3A-0078. Only those Contracting Officers designated as Ordering Officials may place orders against the BPA. See the DHS Online site for a listing of these Ordering Officials.

(b) **Exceptions to Mandatory Use of DHS Contracts:**

- Office of Inspector General

(c) **Procedures:** Program Offices are to consult the Oracle Enterprise Agreement Ordering Guide, at the DHS Online site, for ordering instructions and to place orders using BPA COW-3A-0078.

(d) **Assistance:** If assistance is needed to develop requirements or determine if a license is necessary, contact the Information Technology Solutions Management Center, via email, at: ITSMC@dhs.gov. The listing of OE Technical POCs is available at the DHS Online site.

(3) **Autonomy Licenses:**

(a) **Policy:**

- All Autonomy licenses listed at the DHS Online site are to be acquired from Blanket Purchase Agreement (BPA) 5499711.
- OE program offices and Contracting Officers with a requirement for an Autonomy license listed at the DHS Online site must contact the United States Secret Service Contracting Office at (202) 406-6940 prior to ordering.

(b) **Exceptions to Mandatory Use of DHS Contracts:**

- Office of Inspector General

(c) **Procedures:** Contact the USSS Procurement Office at (202) 406-6940 prior to placing any orders for the Autonomy licenses listed at the DHS Online site.

(4) **Electricity:**

(a) **Policy:** Purchasing electricity through the open market, in deregulated states, must be coordinated with the requiring OE's Energy Program Manager and the DHS Energy Program Manager. A listing of these individuals is provided on DHS Online.

(b) **Exceptions:**

- Office of Inspector General

(c) **Procedures:**

- When an opportunity to purchase electricity becomes available through state restructuring activities, the requiring OE's Energy Program Manager shall submit the following information to the DHS Energy Program Manager:
 - Estimated Annual Consumption
 - Incumbent contractor, if a follow-on requirement
 - Location(s) or address(es) to which the electricity is being provided.
- The OE and DHS Energy Program Managers will further refine and coordinate data collection and determine the electricity requirements.
- When the requirements have been determined, the DHS Energy Program Manager will coordinate with GSA or the Defense Energy Supply Center (DESC), one of whom will serve as the contracting office.

B. **Other Strategically Sourced Commodities:** None at this time. When future commodity areas are strategically sourced, they will be incorporated by modification to this management directive.

C. **Waiver Approval Procedures:**

1) Waivers to the policies and procedures set forth in this MD may be submitted for consideration. All waiver requests must include rationale and justification why the requester is unable to conform to the policies and procedures set forth in this MD, or why it is not in DHS' best interest to follow the policies and procedures set forth in this MD.

2) A request for waiving the policies and procedures set forth in this MD must be completed, submitted, and approved prior to establishing a contract or using contracts other than those identified in this MD, except when an unusual and compelling urgency exists.

3) When an unusual and compelling urgency exists, an OE may acquire a commodity from other sources prior to obtaining approval of a waiver request. However, a waiver request is to be provided as soon as practical after the commodity is purchased. The waiver request is to provide justification for claiming that an unusual and compelling urgency existed, and the rationale of how the Government would have been seriously injured, financial or otherwise, had the OE acquired the commodity from a strategically sourced contract. OEs may be required to demonstrate that the unusual and compelling urgency did not result from a lack of planning or concerns related to funds expiration.

4) An OE's waiver request is to be coordinated and processed in accordance with that OE's policy. Each OE shall designate a single contact person to collect and forward all of their respective OE's waiver requests. The OE's contact person is to forward waiver requests via email to the Strategic Sourcing Group Chairman.

5) The Chief Procurement Officer, or designee, will make a final determination on granting or denying a waiver request.

D. **Questions or Concerns Regarding this MD.** Any questions or concerns regarding this MD should be addressed to the Director, Strategic Sourcing and Acquisition Systems, in the Office of the Chief Procurement Officer.