



Department of the Army IT Purchasing Guide



How To Procure Commercial Information Technology Hardware, Software and Services



Summer 2006

"Army activities must smartly leverage Army buying power and maximize the capabilities of the LandWarNet by procuring IT goods and services from the proper contract vehicle."

LTG Steven W. Boutelle, *Army CIO/G-6*

SHOP ARMY FIRST!



Why Shop Army

Background

The Army has been part of a growing trend toward federal agencies buying goods and services outside of their home agency. Interagency contracts have become popular because it is perceived that they enable agencies to buy goods and services more easily and more quickly than if they had established contracts on their own. At the same time, reports from the Government Accountability Office (GAO) and Inspectors General have found that interagency contracts tend to be awarded with less competition and oversight than those handled within a single agency. "It is not always clear where the responsibility lies for such critical functions as describing requirements, negotiating terms and conducting oversight," said a January 2005 GAO report (GAO-05-207).

When you are utilizing another agency's contract, the terms and conditions of that contract are written for that agency, and you may not have complete control over the procurement process. The Army CIO/G-6 encourages you to use the simple, straightforward vehicles that the Army has in place for your next Information Technology (IT) purchase. Army contract vehicles offer a range of products and services that will more than likely be able to meet your needs.

Purpose

The purpose of this guide is to provide the procedures to help users fulfill commercial IT requirements by using Army contracts as the primary option. It also highlights the correct procedures if it is necessary to use contracts external to the Army. It applies to the acquisition of commercial items and services as defined at Federal Acquisition Regulation (FAR) 2.101 including deployable IT items that are not embedded in a weapons system or part of a major system acquisition. Further, it outlines the process and the points of contact that can help you with your next IT products or services purchase. AR 25-1 designates the Army Small Computer Program (ASCP) as the primary source for Army commercial IT purchases.

Steps

This pamphlet focuses on three major steps required to effectively and efficiently fulfill commercial Army IT requirements.

Step 1 - Determine the Requirement. Know the type of product or service you wish to purchase and determine the estimated cost. Obtain the initial approvals within your requiring activity.

Step 2 - Conduct Acquisition Analysis. Determine the acquisition options for the product or service.

Step 3 - Procurement. Procure the product or service from a DA/DoD contract or via an assisted or direct acquisition from a non-DoD contract by ensuring you have obtained all the required per missions and approvals.

"From FY00 to FY04, the Army lost over \$48M in buying power due to improper contracting procedures with organizations outside of the DoD."

Step 1: Define Requirement

A. Determine Type of Product or Service

Information Technology and related services are widely varied. The Department of the Army organizes IT into categories with methods of purchase based on products/services type. As an example, specific guidelines have been established for purchasing desktop and notebook computers, while different procedures exist for larger more costly IT products and services. Requiring activities should coordinate with their designated contracting activity to prepare the appropriate requirements document such as a Statement of Work (SOW), Statement of Objective (SOO), Performance Work Statement (PWS), etc. Failure to fully determine the requirement is a typical cause of performance disappointment, cost overruns, late delivery, etc.

IT Purchases of Products and Services

Determine if the solution for the requirement is hardware, software, services or a combination. As part of the acquisition approach, the activity must also determine if the solution for the requirement is a one time buy or a continued need.

Hardware

Define hardware specifications (i.e., size, speed, memory requirements), with regard to the functions to be performed and/or essential physical characteristics. Always refer to the approved installation architecture.

Software

Determine the function and performance requirements. Then determine if the software solution is a Commercial Off-The-Shelf (COTS) product or if a software development effort needs to take place. The Defense Acquisition Regulation Supplement (DFARS) mandates that agencies fulfill requirements for commercial software and related services, such as software maintenance, in accordance with the DoD Enterprise Software Initiative (ESI). The ESI is a DoD project designed to implement software enterprise management by working with vendors to combine software requirements and gain pricing advantages not available to individual customers. Army Regulation 25-1 names the ASCP the Army's Software Product Manager for ESI implementation. Customers should also be aware that no-cost software, such as DoD Antivirus Software, is available. Check the "No Cost Software" link at the ASCP website (<https://ascp.monmouth.army.mil>) for a list of available applications.

COTS Software: In order to obtain deeper discounts when negotiating an Enterprise Software Agreement (ESA), Army and/or DoD sometimes purchase COTS software to be held in inventory for future purchase by Army and DoD customers. Prior to purchasing any software, first check the information at the ASCP website or the ESI website (<http://www.esi.mil>) to determine if the software or related services which satisfy your functional/performance requirements is available from the Army/DoD inventory. If the item is in the inventory, and is not available as no-cost software, then the customer shall procure that item from the inventory. If the required product is not in the inventory, then you must determine if a product which satisfies the functional/performance requirements is available through an Army/DoD or Federal SmartBuy ESA and procure through that ESA IAW the procedures set forth in DFARS subpart 208.7403. You can conduct research on the ESAs at the DoD ESI webpage or the ASCP web page. If a product which satisfies the functional/performance requirement is being managed under an ESI, then that information should be passed on to the designated contracting office for consideration during Step 3. In addition, Army customers must request a waiver from ASCP to purchase software not covered under the DOD ESI. The waiver process can be found at the ASCP website.

"Purchasing through Enterprise agreements supports the Secretary of the Army's goal of reducing redundant and stove pipe IT investments by 80% by the end of FY07."

Step 1: Determine the Requirement (continued)

Non-COTS Software: The suitability of COTS and or Government off-the-shelf applications for meeting operational requirements must be gauged before starting a development effort. The Secretary of the Army has issued guidance to reduce redundant and stove-piped IT investments and the independent development of software could violate that guidance. Ensure that you discuss your requirement with your functional chain and that you work within your IT Portfolio Governance Mission Area and Domain prior to initiating a software development effort. After conducting market research in accordance with the Federal Acquisition Regulation (FAR) Part 10, and if it is determined that there is no COTS software available to satisfy your requirement, then proceed to meet your requirement in accordance with the FAR. The FAR website is <http://acquisition.gov/far/index>.

Services

Prepare a requirements document that clearly identifies the performance level. The FAR encourages the use of Performance Based Service Contracting (PBSC) to the maximum extent practicable except for exclusions identified in FAR 37.102.

B. Get approval from the Director of Information Management (DOIM)

IAW AR 25-1, the DOIM must coordinate on all IT requirements for compliance with standards, accreditation, networkiness, Installation Information Infrastructure Architecture (I3A) and similar Army standards. This also includes all IT micropurchases and purchase card purchases. Consumables such as diskettes, CDs, toner cartridges, etc. purchased using the IMPAC purchase card do not require DOIM approval. As a reminder, always check local DOIM and contracting policies

C. Prepare an Independent Government Cost Estimate (IGCE)

As you develop the IGCE, conduct price research at the ASCP website. Again, consider if this is a single purchase or a continued need that will require a long term contract. Consider total lifecycle cost. Your resource manager or contracting officer may be able to help with the cost estimate.

D. Coordinate with the resource manager to determine if funds are available.

If funds are available, determine if they are IT funds as defined by the Annual Army Knowledge Management (AKM) Goal 1 Memo available at the US. Army CIO/G-6 Information Resource Integration Directorate web page at <https://www.us.army.mil/suite/page/239511>. You will need your Army Knowledge Online (AKO) user name and password to access this web page. This memo defines IT and Non-IT funds based on the sourcing Management Decision Package (MDEP) or the Army Program Element (APE). When discussing with your resource manager be aware of the Operation and Maintenance Army (OMA) and Other Procurement Army (OPA) thresholds. See DFAS IN manual 37-100-XX, appendix A, Section D

IT Funds: If IT funds are available then continue to acquisition analysis.

Non-IT Funds: If using non-IT programmed funds, an AKM Goal 1 waiver is required if the expenditure exceeds \$25K OMA or \$100K RDT&E. All waivers must be approved and appropriate documentation in hand before you proceed to procurement. If non-IT funds are not available, then follow local procedures for submitting an unfunded requirement. Detailed, accurate documentation must be maintained for internal control reviews or audits. The procedures for the waiver can be found at Goal 1 waiver webpage at <https://akodisc4ko1.us.army.mil/PAC/work-flow/home.jsp>. You will need your Army Knowledge Online (AKO) user name and password to access this web page. Some installations require that the DOIM request the Goal 1 waiver, so always check local policy first.

If no funds are available, continue with acquisition analysis and prepare your documentation as an unfunded requirement to be executed should end of year funds become available. This includes obtaining an AKM Goal 1 End of Year (EOY) waiver in advance of the receipt of funds.

Step 2: Conduct Acquisition Analysis

Conduct Acquisition Analysis

Based upon the price and contract vehicle available for the product or service, specific guidelines and approval authorities are in place to ensure all applicable laws, policies and regulations are adhered to. Failure to follow financial and procurement rules can lead to fraud, waste and abuse and may result in disciplinary action.

Micropurchases

If the price of the item is below the threshold of \$2,500 it is considered a micropurchase. These are generally consumables, such as ink, toner cartridges, CDs, etc. A micropurchase could also be a computer or peripheral items, such as external drives, storage devices, modems, cables, etc. Follow FAR and subordinate contracting procedures to meet your need. If the product is a desktop or notebook computer, CIO/G-6 policy mandates purchase through the ASCP consolidated buy procedures that are explained in step 3. It is a violation of the acquisition regulation to divide requirements into multiple micropurchases to get below the \$2,500 threshold.

Army and DoD Contract Vehicles

For purchases of software, desktops or notebooks, use ASCP contract vehicles and DoD ESI Agreements first regardless of dollar value. If your purchase is other IT products or services and the cost is greater than \$25K, or if the required item or service is available on an ASCP contract, but you have justification, such as better pricing, for purchasing the item or service from another source, you must request a waiver from ASCP. See DA PAM 25-1-1, para 11-2, g. The requiring activity may then proceed to award through its designated contracting activity.

Non DoD Contract Vehicles

Procurement from a non-DoD source increases the risk that that contract vehicle's terms and conditions are not suitable for your activity. Requiring activities should carefully consider all options when entering into a non-DoD contract, and must follow the procedures set forth in SAAL-PP, Jul 12 2005 Memo, titled Proper Use of Non-DoD Contracts. Generally, there are two types of acquisitions from non-DoD sources, Assisted and Direct Acquisitions.

- a. Assisted Acquisition means a contract awarded or a task or delivery order placed on behalf of DoD by the non-DoD agency. This is usually done by a non-DoD contracting officer that is in receipt of funds sent by a DoD activity via a Military Interdepartmental Purchase Request (MIPR). Assisted acquisitions have been the subject of numerous negative audit findings and require special attention and oversight.
- b. Direct Acquisition means a task or delivery order placed by a DoD official against a contract awarded by a non-DoD Agency. The term includes an order placed against the General Services Administration Federal Supply Schedules (GSA FSS).

"When searching for applications to fill a need, work through your proponent/command or through your functional chain to your Mission Area and Domain leaders. They can access the Army Portfolio Management Solution (APMS) Army Information Technology Registry (AITR) Module and review a listing of all existing Army IT systems and potentially find an existing system to fit your need."

Step 3: Procurement

Procurement Sources

The Army encourages you to choose the appropriate Army contract vehicle first! The Army and other DoD activities provide an array of contracts that offer solutions to fulfill IT requirements. Requirements may also be satisfied utilizing non-DoD contracts IAW the procedures at Paragraph B below.

A. Army/DoD Managed Contracts.

Contact your designated contracting office to purchase products and services. Your contracting officer is authorized to purchase from de-centralized Army and DoD IT contract vehicles managed by the ASCP and the ITEC4.

The Army Small Computer Program (ASCP)

As a reminder, the ASCP office is the primary source for hardware, software and services. ASCP does not provide contracting services; it provides products and services on contracts that your designated contracting officer can use to satisfy your requirements. Complete procedures on purchasing through ASCP are available at its website, the ASCP **it e-mart** at <https://ascp.monmouth.army.mil/scp/index.jsp>.

1. If the purchase is a desktop or notebook computer, CIO/G6 policy requires purchase from the ASCP Consolidated Buy (CB) program regardless of dollar value. The ASCP currently conducts consolidated computer buys in February/March and August/September each fiscal year.
2. Exceptions to the CB are granted for:
 - a. Mission critical requirements - Items that are required in a time-frame that cannot be satisfied by the next regularly scheduled CB period.
 - b. Mandatory OCONUS host-country agreement requires items not available through CB.
 - c. Non-CB Configuration Requirements - Required desktop or notebook configurations and/or capabilities differ substantially from the CB designated configurations and cannot be satisfied by the inclusion of upgrades and/or peripherals offered on the CB.

The CB exception process is available at: <https://ascp.monmouth.army.mil>. Documentation to support the exception shall be maintained in the contract file for internal control reviews or audits. An O-6 or GS-15 (or equivalent) must approve the request for exception prior to ordering or entering into a contractual agreement.

Army Contracting Agency (ACA)/Information Technology Commercial Contracting Center (ITEC4)

For a comprehensive list of all Army and DoD contracts, including ASCP contracts, visit the Master Contracts section of the ACA/ITEC4 website at www.itec4.army.mil. The ITEC4 has contracts and blanket purchase agreements that offer economical solutions to most common-use service requirements. The webpage also has master contracts such as internal and external wireless contracts through NETCOM. Complete procedures on purchasing through ITEC4 are available on their website www.itec4.army.mil.

"Activities that purchase computers via the Army Small Computer Program's Consolidated Buy save an average of 25% and get to retain the savings!"

Step 3: Procurement (continued)

The Common Hardware Systems (CHS)

The CHS program manages the Common Hardware/Software series of contracts administered by the Communications-Electronics Life Cycle Management Command Acquisition Center. CHS contracts provide IT products and services requiring engineering solutions to meet reliability, sustainability and maintainability requirements for tactical environments. More information can be found at the CHS website <http://peoc3t.monmouth.army.mil/TRCS/chs.html>. Note: The ASCP and the CHS are conducting a study in order to review options to merge programs and/or contracts. Monitor the ASCP web page for further details.

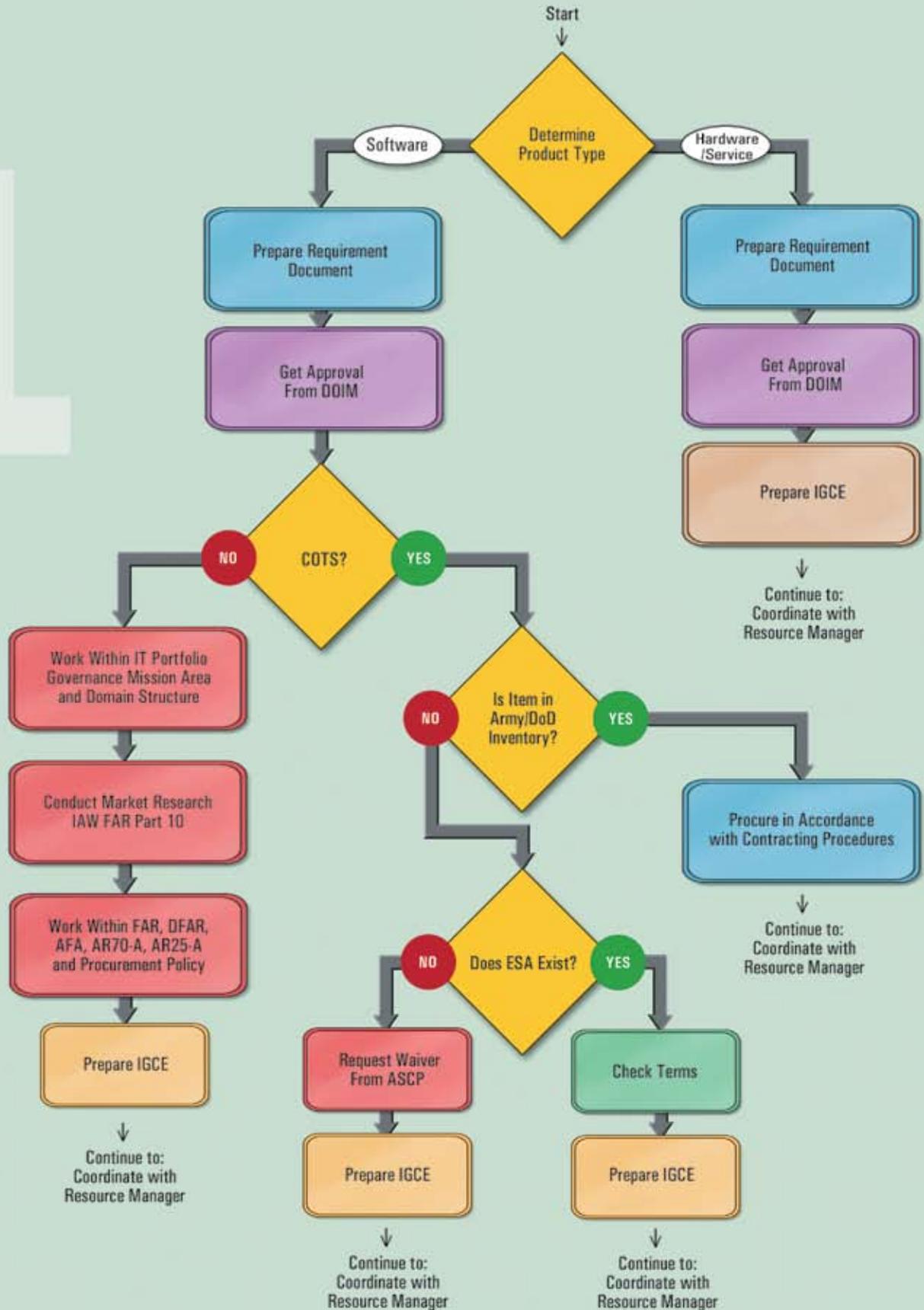
B. Non DoD Contracts. As a final option other sources can be sought if internal Army and DoD contracting sources have been exhausted. All documentation associated with procuring outside a DoD contract must be maintained for internal control reviews and audits. In addition to requirements detailed in steps 1 and 2, you must also follow the additional procedures highlighted below should you elect to use a non-DoD contract vehicle. If your designated contracting office determines that it cannot meet your requirement utilizing DoD contracts and your estimated cost is above \$100K, then follow the table below. This table originates from and does not supersede the guidance found in the SAAL-PP, Jul 12 2005 Memo, titled *Proper Use of Non-DoD Contracts and requiring activities should review this and any subsequent guidance. Also review guidelines as outlined in DoDI 4000.19, Interservice and Intragovernmental Support, along with DoD policy memos regarding interagency agreements. This table highlights the required documentation and does not contain all the procedural requirements, such as reporting. The ASCP web page has a sample certification for use of non-DoD contracts via direct acquisition. Click the link titled contracting guidelines/templates.*

Non-DoD Contract Documentation Checklist

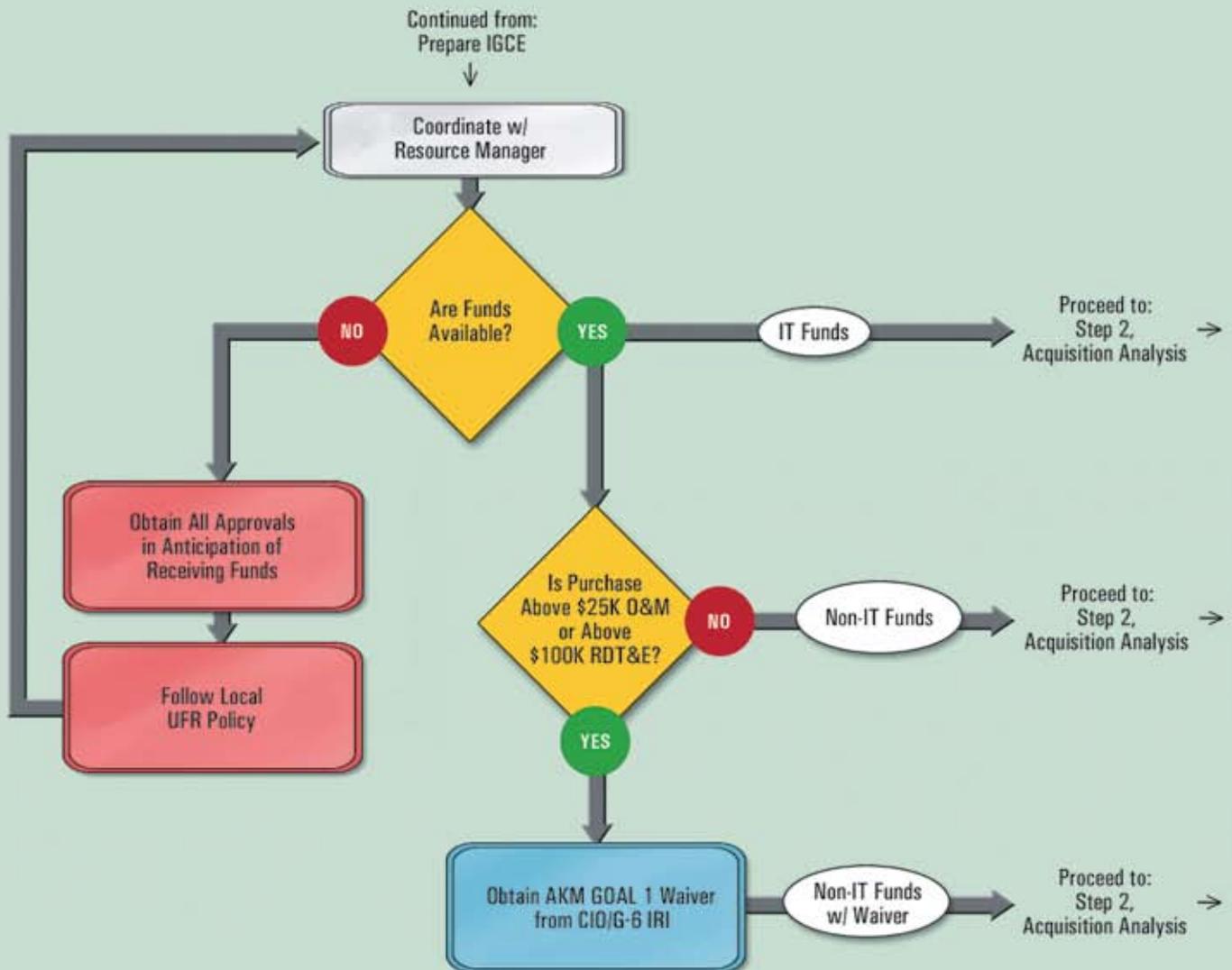
Requirement	Direct Acquisition	Assisted Acquisition
1. Obtain certification by activity's O-6 or GS-15 that external procurement is: a. In best interest of the DA based on schedule, cost and contract administration. b. Is within scope of the non-DoD contract. c. Funding is appropriate. d. Complies with DoD unique governance & requirements. e. Management review & approval requirements are met as per para 4 of the SAAL-PP, 12 Jul 05 memo. f. Coordination is done with contracting and the funds certifying official.	X	X
2. Obtain written RM certification of funds availability	X	
2b. Obtain written RM certification of funds availability, and ensure compliance with National Defense Authorization Act FY05 and SAAL-PP, 12 Jul 05 memo.		X
3. Obtain coordination from supporting legal counsel.		X
4. If there is no access to the statement of work, then obtain written concurrence from non-DoD contract officer that the DoD requirements are within the scope of the contract used.	X	X
5a. Contracting officer maintains copy of certification and all other documentation in contract file.	X	X
5b. Provides copy to non-DoD contract officer's organization.		X
5c. The requiring activity maintains a copy of certification and all contract files to include copy of delivery order from non-DoD contract office. Only MIPR exact amount of purchase price and appropriate fees.		X
6. Request from non-DoD contract office a copy of the Federal Procurement Data System Report submitted with procurement action.		X
7a. Comply with Federal Acquisition Regulation subpart 17.5 and the Defense Federal Acquisition Supplement (DFARS) subpart 217.5 - Interagency Acquisitions under the Economy Act, "DoD Instruction 4000.19- Interservice and Intragovernmental Support, and DoD 7000.14R- DoD Financial Management Regulations (FMR), Volume 11A, Chapter 3 -"Economy Act Orders".	X	
7b. If subject to the Economy Act, 31 U.S.C. 1535, the requiring activity also shall comply with the requirements of FAR Subpart 17.5 (including the determination and findings requirement at FAR 17.503) and DFARS Subpart 217.5, DoD Instruction 4000.19, Interservice and Intragovernmental Support, and the DoD Financial Management Regulation, DoD 7000.14-R, Vol 11A, also apply to these transactions.		X

Step 1: Determine the Requirements

1

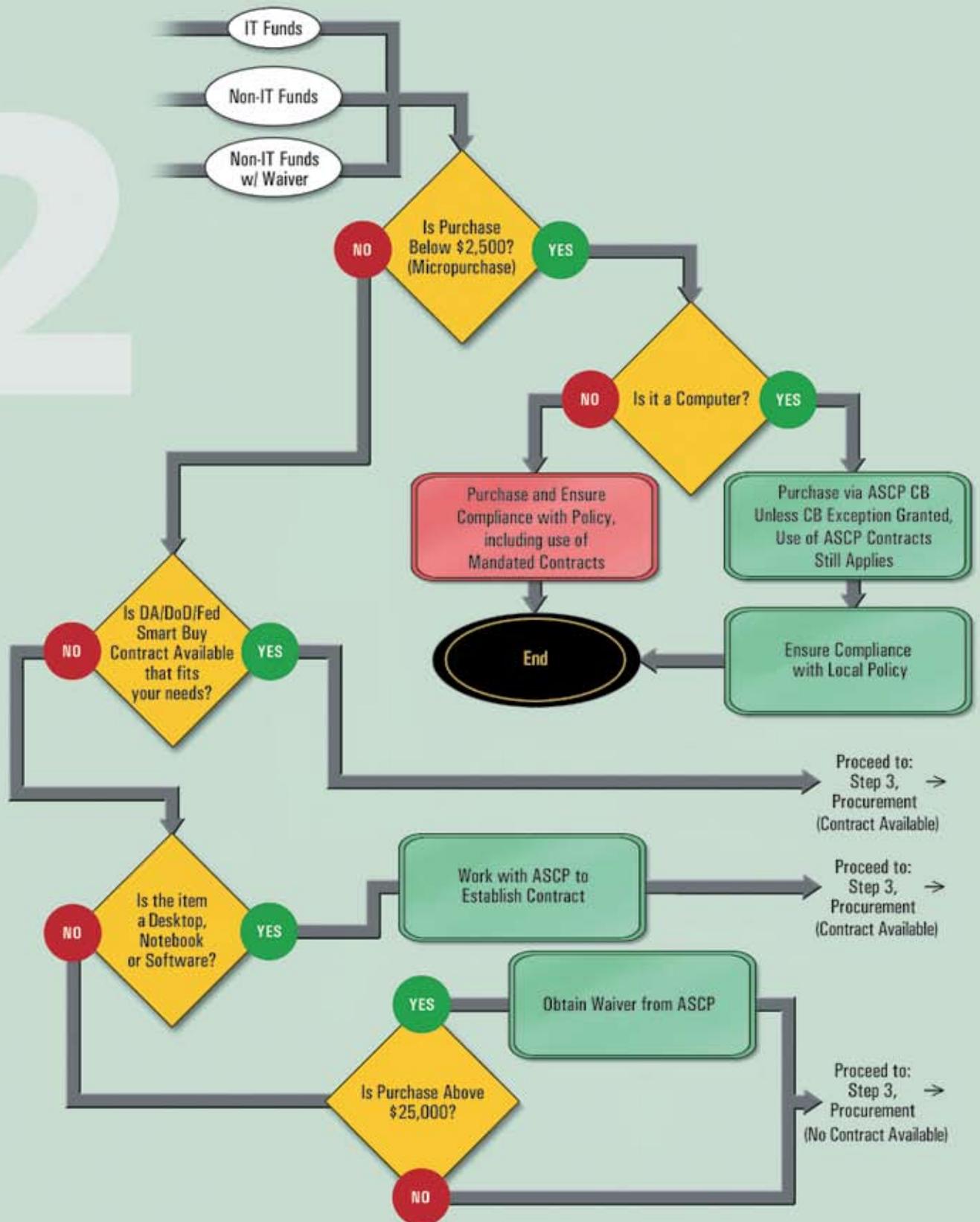


Step 1: Determine the Requirements (continued)



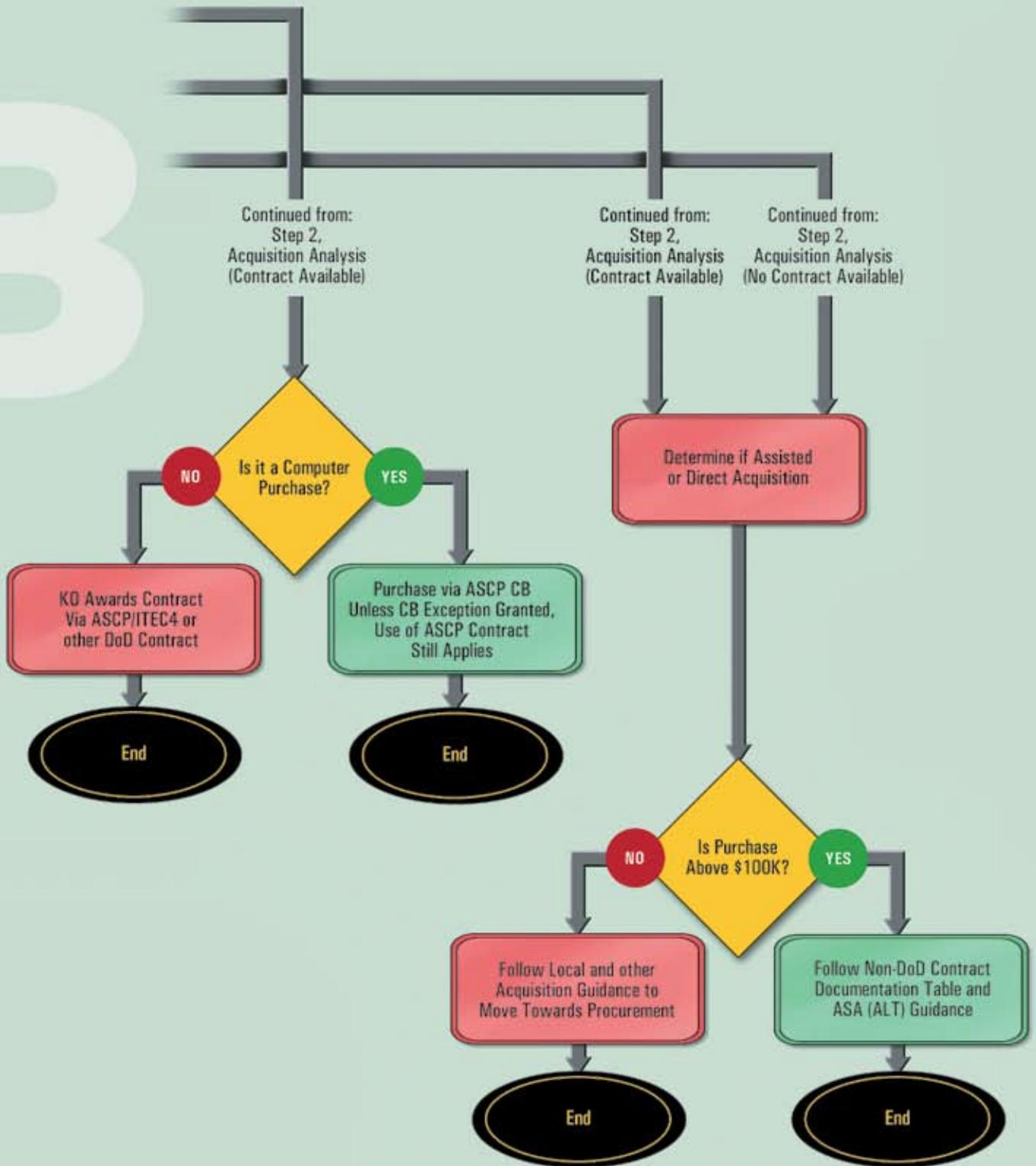
Step 2: Conduct Acquisition Analysis

2



Step 3: Procurement

3



Summary

The Commercial IT purchase process can be difficult and perhaps somewhat confusing. Recognizing this, the office of the CIO/G-6 has attempted in this guide to provide the essential procedures to make your next purchase a successful one, and one without unintended results. By focusing you on the Requirement (Step 1) and your Acquisition Analysis (Step 2) and guiding you to the Procurement (Step 3), it is hoped that the process will be less confusing.

You are encouraged to take advantage of the professionals, beginning with those in your organization, whose roles are designed to help you meet your IT requirements. Additionally, you will find a wealth of knowledge and capable staff members who are ready to assist you in your designated contracting office.

We have also introduced you to the key players in the COTS IT acquisition process, ASCP and ITEC4. These two organizations are staffed with knowledgeable professionals who can help you find a solution that fits your requirement, both within and outside of the DoD.

Finally, the Army's acquisition professionals and leaders will continue to provide guidance in the form of policy memos and updates to publications to help meet changing IT needs. This document contains guidance compiled from multiple policy sources and those controlling sources should always be referenced if there is a question. The primary publication used was DA PAM 25-1-1 dated March 20, 2006 and any subsequent editions of the DA PAM should be reviewed prior to purchasing IT goods and services.

We encourage you to use this guide and its lists of references to help you get the IT products and services you need. We welcome your feedback to the CIO/G-6 Information Resource Integration Directorate. Contact information is available on our web page.

References

References

Federal Acquisition Regulation
Defense Federal Acquisition Regulation Supplement
Army Federal Acquisition Regulation Supplement
Defense Acquisition Guidebook
DoDD 5000.1- Defense Acquisition System
DoDD 5000.2- Operation of the Defense Acquisition System
DoDI 4000.19, Interservice and Intragovernmental Support
AR 25-1, Army Knowledge Management and Information Technology
AR 70-1, Army Acquisition Policy
AR 71-9, Materiel Requirements
DA PAM 25-1-1, Information Technology Support and Services
DA PAM 25-36, Design and Production of Instructional Publications
DA PAM 70-3, Research, Development and Acquisition-Army Acquisition Procedures
DFAS 37-1, Finance and Accounting Policy Implementation
DA Memo, FY05 Army Knowledge Management (AKM) Goal 1 Resource Execution Guidance, 3 Feb 05
DA Memo, Proper Use of Non-Department of Defense Contracts, 12 Jul 05
DA Memo, Consolidated Buy (CB) of Desktop and Notebook Computers, 13 Feb 06

Website References

Army Small Computer Program (ASCP): <https://ascp.monmouth.army.mil>
AKM Goal 1 Waiver: <https://akodisc4ko1.us.army.mil/PAC/workflow/home.jsp>
ASA (ALT) Memo, Proper Use of Non-DoD Contracts:
<https://webportal.saalt.army.mil/saal-zp/armypolicyuseofnon-DoDcontracts.pdf>
Defense Acquisition University (DAU): <http://akss.dau.mil>
DOD ESI: <http://www.esi.mil>
Federal Acquisition Regulation (FAR): <http://acquisition.gov/far/index>
ITEC4: <http://www.itec4.army.mil>
US Army CIO/G-6: www.army.mil/ciog6
US Army CIO/G-6 Information Resource Integration Directorate: <https://www.us.army.mil/suite/page/239511>

Acronyms

ACA	Army Contracting Agency	ESI	Enterprise Software Initiative
AKM	Army Knowledge Management	ESA	Enterprise Software Agreement
APE	Army Program Element	FAR	Federal Acquisition Regulation
ASA (ALT)	Assistant Secretary of the Army, Acquisition, Logistics and Technology	FSS	Federal Supply Schedule
ASA (FMC)	Assistant Secretary of the Army, Financial Management and Comptroller	GAO	Government Accountability Office
ASCP	Army Small Computer Program	GSA	General Services Administration
BPA	Blanket Purchase Agreement	IGCE	Independent Government Cost Estimate
C4ISR	Command, Control, Communication, Computers, Intelligence, Surveillance, and Reconnaissance	IT	Information Technology
CB	Consolidated Buy	ITEC4	Information Technology E-Commerce and Commercial Contracting Center
CHS	Common Hardware Systems	I3A	Installation Information Infrastructure Architecture
CIO	Chief Information Officer	PWS	Performance Work Statement
COTS	Commercial Off-The-Shelf	OCONUS	Outside Continental United States
DA	Department of the Army	OMA	Operation and Maintenance Army
DOIM	Director of Information Management	OPA	Other Procurement Army
ELA	Enterprise License Agreement	PBSC	Performance Based Service Contracting
EOY	End of Year	RDT&E	Research Development Test and Evaluation
		SOO	Statement of Objective
		SOW	Statement of Work

Notes



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