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Bulletin

Title: Information Technology (IT) Acquisition Approval Requests
(AAR) – **ARS ONLY**

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This bulletin identifies the requirements and procedures for requesting an Information Technology (IT) Acquisition Approval Requests (AAR) as required by the USDA Office of the Chief Information Officer (OCIO). It also includes a template and instructions for preparing the AAR memorandum.

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Purpose

This Bulletin identifies the requirements and procedures for requesting an Information Technology (IT) Acquisition Approval Request (AAR) as required by the USDA Office of the Chief Information Officer (OCIO).

Background

The USDA OCIO is responsible for establishing, maintaining, and supporting an evolving Department-wide Enterprise Architecture (EA). The EA is the combination of objectives, principles and standards, processes, data, systems, and technology that enable the efficient delivery of effective products and services to USDA's customers and stakeholders. The USDA OCIO uses the AAR process as an important tool for accomplishing its EA responsibilities. The purpose of this process is to better ensure that:

- agencies are spending their IT resources on their highest priorities;
- significant IT projects are being properly managed;
- acquisitions are in compliance with applicable laws, rules, and standards; and
- acquisitions do not duplicate any systems included in the Departmental administrative and financial portfolio or eGovernment initiatives.

To meet the requirements of this Departmental mandate, the OCIO implemented an Information Technology (IT) Acquisition Approval Request (AAR) process as described in this Bulletin.

Policy

An AAR shall be submitted for all proposed acquisitions of IT hardware, software, support services, and supplies totaling \$25,000 or more. This requirement applies to:

- IT hardware acquisitions including, but not limited to, desktop, laptop, handheld, and other computers; file servers and other network equipment; printers, scanners, and other peripheral equipment;
- IT software including, but not limited to, business application software, operating system software, database management software, tools and utilities, and other computer and network software;
- Telecommunications equipment including, but not limited to, circuits, switches, routers, hubs, cabling, wide-area network access, analog/digital/wireless data transmission equipment (switched data, ISDN, frame relay, DTS, ATM, microwave, satellite), video technology, and voice transmission technology (PBXs, key systems, and voice circuits);
- Support services including, but not limited to, system development contracts, maintenance and support contracts, and consulting services. Support services contracts

may be in development and support of research, program management, and administrative systems; network and infrastructure support; and other related areas.

A new AAR is required for each fiscal year in the contract period of performance. This includes the annual renewal of maintenance and software license agreements, support services contracts, vendor and manufacturer premium support contacts, and other similar acquisitions.

An AAR is not required for the following acquisitions:

- If an acquisition is funded exclusively by a USDA agency other than the ARS, the funding agency is responsible for submitting the AAR. If the acquisition is funded jointly by ARS and other USDA agencies, the table in the *Budget Information, subsection B. Agency Partnerships* of Exhibit 2 should be completed.
- Storage devices, processors, and other IT components which exclusively support scientific and research equipment, instruments, and systems (such as DNA sequencers, mass spectrometers, and electron microscopes).
- Scientific and research support software such as modeling software, bioinformatics software, statistical analysis software, and other similar products.
- Building and facility systems (such heating and air conditioning systems) which may have an associated IT processor or other related IT component.

The procedure to request an AAR follows a well-defined series of actions (see Exhibit 1 – IT Acquisition Approval Request Procedure).

To obtain an approved AAR, the requesting office must prepare a draft AAR memorandum. The format and specific information required in the AAR are included in Exhibit 2, Format for IT Acquisition Approval Request (AAR) Memorandum.

Once a decision has been reached regarding the approval of an AAR, the USDA OCIO will issue a decision memorandum to the requesting office indicating that they may proceed with the procurement action.

Each requisition over \$25,000 forwarded to the Agency Contracting Office must have the USDA OCIO's approved AAR decision memorandum attached. Requirements should not be split in order to circumvent the \$25,000 threshold.

Contracting Officers should not award a contract/order for an IT acquisition costing over \$25,000 without an approved AAR decision memorandum from USDA unless the acquisition meets the exceptions previously listed.

It normally takes a minimum of six to eight weeks from the time a draft AAR is submitted by the requesting office before the USDA OCIO makes a final decision on the request. This time frame should be considered during your acquisition planning process.

Responsibilities

The requesting office submits a draft AAR and supporting documents to Gary Rich, the ARS AAR Coordinator, via email (gary.rich@ars.usda.gov). The AAR Coordinator distributes the draft AAR to subject matter specialists within the ARS OCIO for technical review. Once the review is completed, the AAR Coordinator prepares the AAR memorandum and supporting documentation for the ARS Chief Information Officer's (CIO) signature.

Once signed by the CIO, the AAR memorandum and supporting documents are returned to the AAR Coordinator who then posts an electronic copy to the IT acquisition approval request to the USDA OCIO AAR SharePoint site.

The USDA OCIO will conduct a technical review of the AAR prior to approval to ensure it complies with applicable standards and requirements (including cybersecurity, hardware/software standards, network and telecommunications, enterprise architecture, eGovernment, etc.). Once the technical review is completed, the USDA OCIO will issue a decision memorandum to the requesting official(s) cited on the AAR memorandum as well as the ARS AAR Coordinator.

AARs that include all of the requested information and indicate the intent to comply with applicable USDA standards and Federal directions will normally be approved by the USDA OCIO. The approval memorandum may include several conditions or follow-up actions with which the requesting office must comply in conjunction with the procurement action. Compliance with these conditions will be tracked by the USDA OCIO. More specific information will be provided in the AAR approval memorandum.

Any questions regarding the AAR process, AAR information requirements, or any other subjects relating to this Bulletin should be directed to Gary Rich via email at gary.rich@ars.usda.gov or by telephone at (301) 504-1052.

Authorities

The USDA OCIO has the responsibility to review and approve all IT acquisitions over \$25,000 in order to maximize the value the Department and agencies obtain from these IT expenditures. This responsibility is authorized by Departmental policy, regulation, and related public law as follows:

1. AGRICULTURE ACQUISITION REGULATION (AGAR) 439.1 – GENERAL. 439.101 Policy. Which states, in part, “Specific thresholds at which USDA Office of the Chief Information Officer Information Technology Acquisition Approval is required have been established;”
2. AGAR ADVISORY NO. 53 – USDA Information Technology Acquisition Approval Process. Which outlines the OCIO Acquisition Approval Request process;

3. PUBLIC LAW. This is an annual legislative mandate appearing first in the USDA 1998 appropriation (P.L. 105-86); later refined to the \$25,000 threshold in the 2005 appropriation (P.L. 108-447); and most recently appearing in the Consolidated Appropriations Act, 2008 (HR 2764; Division A; Title VII, General Provisions, Sec 712 and passed as P.L. 110-497); Section 712 of P.L. 110-497 states, in part, “*none of the funds available to the Department of Agriculture for information technology shall be obligated for projects over \$25,000 prior to receipt of written approval by the Chief Information Officer.*”

4. PUBLIC LAW. P.L. 104-106. DIVISION E – INFORMATION TECHNOLOGY MANAGEMENT REFORM (Clinger-Cohen Act), SEC.5125. AGENCY CHIEF INFORMATION OFFICER.
 - a. GENERAL RESPONSIBILITIES – The Chief Information Officer of an executive agency shall be responsible for –
 - i. *Providing advice and other assistance to the head of the executive agency and other senior management personnel of the executive agency to ensure that information technology is acquired and information resources are managed for the executive agency in a manner that implements the policies and procedures of this division, consistent with chapter 35 of title 44, United States Code, and the priorities established by the head of the executive agency;*

 - b. DUTIES AND QUALIFICATIONS – The Chief Information Officer of an agency that is listed in section 901(b) of title 31, United States Code, shall –
 - i. *Monitor the performance of information technology programs of the agency, evaluate the performance of those programs on the basis of the applicable performance measurements, and advise the head of the agency regarding whether to continue, modify, or terminate and program or project.*

Definitions

- **IT Hardware** - Includes, but not limited to, desktop, laptop, handheld, and other computers; file servers and other network equipment; printers, scanners, and other peripheral equipment.

- **IT Software** – Includes, but limited to, business application software, operating system software, database management software, tools and utilities, and other computer and network software.

- **Telecommunications Equipment** – Includes, but not limited to, circuits, switches, routers, hubs, cabling, wide-area network access, analog/digital/wireless data

transmission equipment (switched data, ISDN, frame relay, DTS, ATM, microwave, satellite), video technology, and voice transmission technology (PBXs, key systems, and voice circuits).

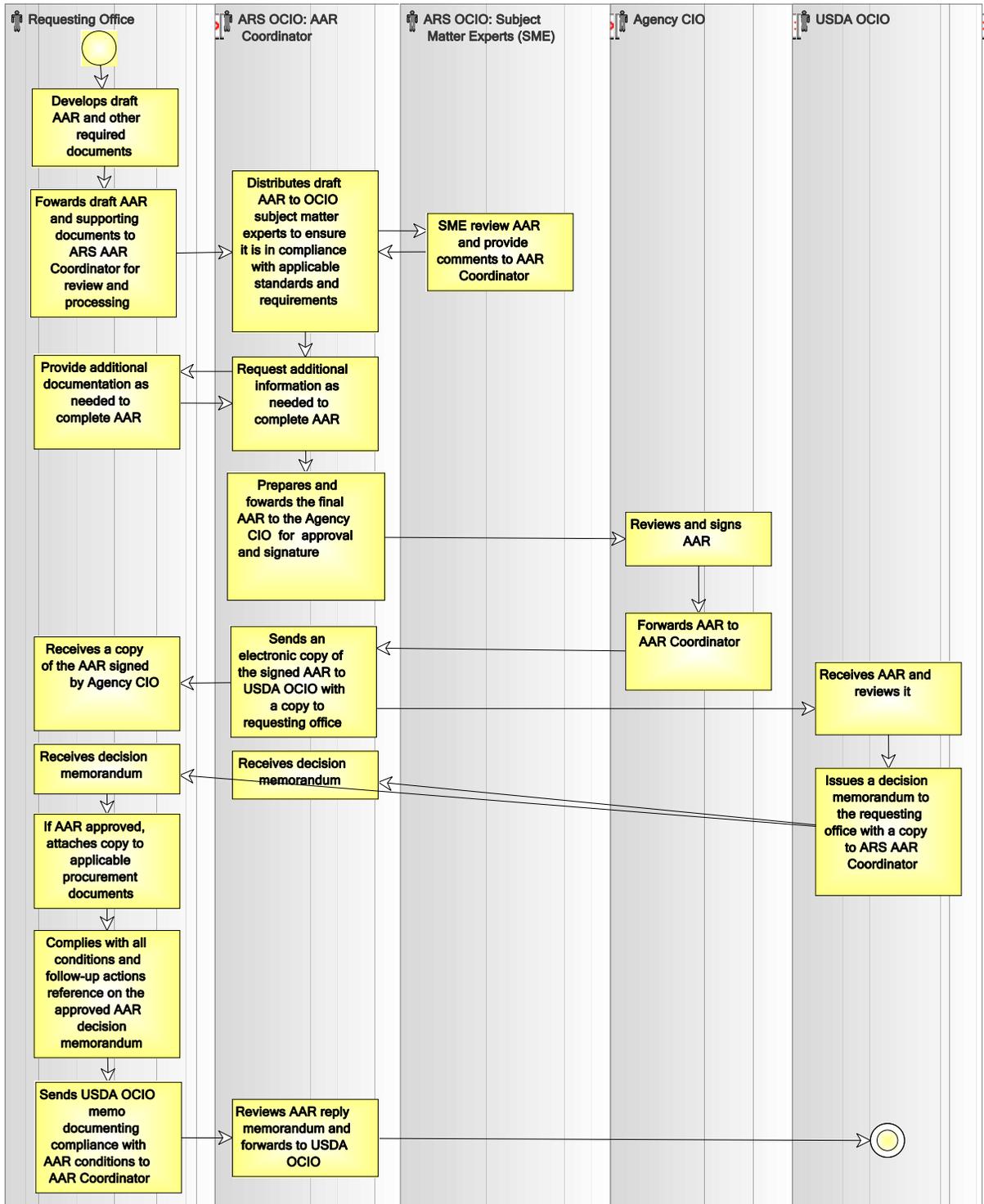
- **Support Services** – Includes, but not limited to, development contracts, maintenance and support contracts, and consulting services. Support services contracts may be in development and support of research, program management, and administrative systems; network and infrastructure support; and other related areas.

/pg/

Paul Gibson
Chief Information Officer, ARS

March 15, 2011
Date

Exhibit 1 - Acquisition Approval Request (AAR) Procedure



Note: Obtaining an approved waiver from the USDA OCIO does not replace or circumvent the necessary procurement, budgetary, or managerial approvals normally required for a procurement action.

Exhibit 2 - Format for IT Acquisition Approval Request (AAR) Memorandum

TO: Christopher L. Smith
Chief Information Officer

FROM: Paul Gibson
Chief Information Officer

SUBJECT: Information Technology (IT) Acquisition Approval Request (AAR)

Note: All sections described below must be included in the AAR memorandum. If any of the following sections are not applicable, indicate “not applicable.” If the information required is not yet known or will be developed at a later time, include a brief statement explaining the circumstances. Also, make sure all acronyms are spelled out the first time they are referenced in this memorandum.

Background and Business Context

Briefly describe the purpose and objectives of the system or acquisition. Information to include in this section should include the follow, as applicable:

- The opening statements in this section should state the name and location of the requesting office, the nature of the acquisition, the total cost, and the year funded (*for example, “The Agricultural Research Service (ARS), Office of the Chief Information Officer, Beltsville MD requests an IT acquisition approval for FY 20XX in the amount of \$XX,XXX. The request is for the acquisition of...”*)
- Describe how the acquisition relates to and supports the Agency mission and programs.
- If the system or acquisition will be used by any external agencies or organizations, identify these partnerships and their role, use, and/or purpose in utilizing the acquisition.
- If an AAR was submitted in a previous year for the same acquisition, system, or project (such as the renewal of a support services contract or the continuation of a multi-year system development effort), cite the previous AAR approval number and describe the purpose of the new AAR. If the AAR is for a multi-year project, also describe the progress since the approval of the previous AAR.

Justification and Benefits

Provide a justification and a description of how the acquisition will benefit the Agency, and address the consequences or impact if the system or acquisition is not approved. The justification and benefits statement could include the following:

- Performance improvement, business process efficiencies, or cost reductions expected from the proposed acquisition;

- Meets Departmental, Legislative, Presidential directives;
- Support of the Agency Strategic Plan;
- Legacy system retirement;
- Replacement of hardware or software which has reached the end-of-life or no longer supported by the manufacturer;
- Migration to enterprise architecture solution;
- Technology modernization; and
- Improved security.

Acquisition Description

Provide a list of all proposed acquisitions including the following information, as applicable
(Note: if any or all the information requested below is available from an attached vendor quote, you may reference the quote document (e.g. Hardware – see attached quote) in this section in lieu of re-entering the information.)

- A. Hardware
 - Type (e.g., server, desktop computers, routers, etc.)
 - Manufacturer
 - Item name or model
 - Supplier
 - Technical description
 - Quantity
 - Cost
 - Location of installation

- B. Software
 - Product or application name
 - Manufacturer
 - Source (e.g. commercial-off-the-shelf (COTS), custom development, etc.)
 - Version and release
 - Type (e.g., business or administrative product or application, program delivery, database management, tools and utilities, etc.)
 - Number and type of licenses
 - Cost
 - Location of installation
 - Name of any planned or existing software application that is related to or affected by the proposed acquisition.

- C. Services
 - Description of the work to be performed (reference attached Statement of Work, if applicable)
 - Schedule of target completion dates of major tasks or deliverables

- When the service includes application software development or modification, provide the name of any existing or planned application that is related to or affected by the services to be performed.
- Contract Cost

Budget Information

A. Acquisition Categories and IT Investments

- See attached Budget Categories table (*provided by OCIO*)

B. Agency Partnerships

- For acquisitions which will be funded jointly by multiple USDA agencies, use the following table to show the amount of each agency’s contribution. If the acquisition will be funded exclusively by ARS (as would be typical), indicate “*none*” in lieu of the table.

Multi-Agency Partnerships FY 20XX	
Source	Amount
USDA Agency Name	
USDA Agency Name	
Total	

C. Source of Funds

- Identify the source of funds being used for the acquisition on the table below. (*Most ARS acquisitions will be funded by the Agency Appropriations*)

AAR Funding Sources FY 20XX	
Source	Amount
Agency Appropriations	
Working Capital Fund	
Greenbook	
Stimulus Funds	
“No Year” Funds	
Intra-governmental Transfer from (<i>external organization name</i>)	

User Fees	
Other	
Total	

Contracts

The following information should be completed for all acquisition contracts:

Acquisition Contracts	
Administering Office (e.g., ITS, GSA, other)	
Contract Number	
Contract Name/Type (e.g. GSA Schedule, GWACS, etc.)	
Vendor	

Requesting offices are strongly encouraged to use the USDA/OCIO Information Technology Services (ITS) Blanket Purchase Agreements (BPA) for desktop, laptop, server, printer, and other peripheral acquisitions. These BPAs have been established to achieve better standardization and lower costs across the Department. Utilizing the ITS BPA will also expedite the AAR’s approval by the Department as well as the procurement process once the AAR is approved. The ITS BPA catalog may be found at the following link:

- USDA/OCIO Information Technology Services (ITS) Blanket Purchase Agreements
 - ITS BPA catalog: <https://ice.sc.egov.usda.gov/BPA/> - (eAuthentication will be required). The ITS BPA catalog also includes Microsoft and Adobe software products. However, these products cannot be purchased through this BPA. The ITS BPA is available only to the ITS and Service Center Agencies (SCA).

If the requesting office is using the ITS BPA for their proposed acquisition, be sure to cite “OCIO/ITS” as the Administering Office and “ITS/BPA” in the Contract Name/Type field in the table above along with the other applicable information to highlight that the ITS BPA is being used.

If the requesting office is proposing to purchase desktops, laptops, servers, printers, and other peripherals from sources other than the ITS BPA, a written justification must be provided in this section of the AAR explaining the technical, business, or other reasons for selecting an alternative source for the acquisition.

Leasing of IT Equipment: The ITS BPA does not currently offer a leasing option for any of their products, but could at some future date and the BPA will be updated accordingly. Thus, the requesting office should review the BPA prior to making any lease/purchase decisions. If after reviewing the BPA, the requesting office concludes that they want to lease their equipment

through an alternative vendor, a justification statement similar to the following should be included in the “Contracts” section of the AAR:

“Name of your organization unit has conducted an analysis of the costs and benefits of leasing versus purchasing the proposed IT equipment. We have concluded that leasing is more cost effective and the proposed vendor offers lifecycle support, installation, configuration, maintenance, sanitization, and disposal services which are not available with purchasing the same equipment. We have reviewed the ITS BPA and found no comparable leasing option, thus we propose to lease the equipment through the alternative vendor.” Feel free to tailor this justification statement to best address your specific circumstances.

Other IT acquisitions (other than those available in the ITS BPA) may be purchased using contracts available from the following sources:

- Vendors available on GSA Schedule and SmartBUY
 - GSA SmartBUY list: <http://www.gsa.gov/portal/content/105119>
- Government-wide acquisition contracts (GWACS)
- Option years of contracts used for prior years of the associated acquisition

If no contract exists to meet the requestor’s needs, this section of the AAR should briefly describe the approach for selecting a vendor. Descriptions should include the solicitation type in accordance with Federal Acquisition Regulation (FAR) Parts 12, 13, 14, or 15; market research methods utilized, in accordance with FAR Part 10; extent of competition in accordance with FAR Part 6; and small business considerations in accordance with FAR Part 19 and USDA Departmental Regulations (DRs) 5090-001 through 5090-005.” See the links below for more information:

- FAR – <https://www.acquisition.gov/comp/far/loadmainre.html>
- Procurement DRs – <http://www.usda.gov/procurement/policy/drdn.html>

The requesting office should initiate the market research prior to contacting their local procurement office. Within a particular field of interest, personnel in the requesting office should become familiar with potential sources and acquire knowledge of each source’s technical capability, physical resources, experiences in a given area, and performance history, etc. It is expected that they will use this knowledge to develop a recommended source list. They should also use appropriate business/scientific journals, internet searches, etc., to identify new sources, in addition to those the contracting officer will obtain from advertising in the Government-wide point of entry (GPE).

For each requirement contact the local procurement office for further direction regarding the submission of required documents and anticipated timeframes needed in order to properly perform the acquisition process.

Enterprise Architecture

NOTE: The information provided in this section will help OCIO complete the required enterprise architecture template that will accompany this request.

Describe how the system or acquisition relates to and supports the USDA and ARS architectures. Specifically, please describe the following:

- **Business Layer:** How the acquisition directly or indirectly impacts or supports the mission of ARS.
- **Application Layer:** How the acquisition relates to or interfaces with existing applications, systems, or network.
- **Data Layer:** What general types of information will be stored or processed by the acquisition? Is any of the information considered sensitive (i.e., social security number, personally identifiable information PII)?
- **Technical Layer:** How the investment physically relates to or interfaces with the existing technical infrastructure and where the acquisition is physically located. Does the system replace/retire any other systems/technology?

Information Security

Note: This section will be completed by OCIO; however, the requestor should include (cut and paste) the template below in their draft AAR memorandum.

A. Federal Desktop Core Configuration (FDCC)

ARS will ensure vendor services satisfy USDA and FDCC compliance per the memo from the USDA Chief Financial and Information Officer (CIO) dated February 15, 2008, OMB Memoranda 07-11 and 07-18.

B. Secure Coding Requirements

ARS will ensure that contractor staff complies with the OCIO memo of June 2, 2008, concerning secure coding requirements (i.e. contractor will provide evidence of secure coding skills; perform adequate source code testing, binary code testing, application scanning, and penetration testing; and exercise copyright management and responsibility).

C. Certification and Accreditation (C&A)

ARS will ensure that all systems are certified and accredited in accordance with USDA C&A policy and standards before they are placed into production and every three years thereafter; or whenever there is a major change to the system. The following boilerplate text will be used:

The *System Name* was given Authority to Operate and the signed documents reside in the Department's Cyber Security Assessment and Management (CSAM) database. More details are available on request from the ARS Cybersecurity Information Systems Security Program Manager (ISSPM).

D. Privacy Impact Assessment (PIA)

ARS is responsible for initiating the PIA early in the development of a system or major change, and ensures that the PIA is completed as part of the required IT System Development Life Cycle (SDLC). If the PIA is not complete at the time the AAR is submitted to OCIO, the plan and scheduled completion date for the applicable items identified in the AAR will be provided. The following boilerplate text will be used:

The current PIA for the system resides in the Department's CSAM database. More details are available on request from the ARS Cybersecurity Information Systems Security Program Manager (ISSPM).

E. Plan of Actions and Milestones (POA&M)

If a weakness has been identified through an audit, it will identify the POA&M and describe how the proposed acquisition will contribute towards its remediation.

- If POA&M(s) have been assigned to the system, the following boilerplate text should be used: "The following POA&Ms have been assigned to the *System Name*. This AAR will contribute towards its remediation by..."
- If no POA&M(s) are assigned or if the acquisition does not contribute to its remediation, "not applicable" should be indicated.

F. Data Encryption

ARS will ensure that all information stored on mobile devices is encrypted.

G. External Information Systems Services

Service level agreement with the provider of external information system services must be established, and providers of external information system services must employ adequate security controls in accordance with applicable laws, Executive Orders, directives, policies, regulations, standards, and guidance.

H. System Documentation

The acquisition contracts for information systems will include, either explicitly or by reference, security requirements and/or security specifications based on an assessment of risk and in accordance with applicable laws and regulations that describe required security capabilities, design and development processes, test and evaluation procedures

and documentation. The acquisition contracts will include requirements for information system documentation that includes security configuration settings and security implementation guidance.

Telecommunications

Describe any telecommunications issues relating to the system or acquisition. Any interfaces or physical connections should also be addressed. The potential impact resulting from the acquisition on USDA's backbone must also be described. If applicable, include a network diagram. If independent Internet access (i.e., direct access without traversing the USDA Universal Telecommunications Network) is required for the acquisition, provide a statement to justify the independent Internet access.

Table A-0, Telecommunications Requirements describes the impact on traffic volumes and patterns that will result from the acquisition. Table A-1, Telecommunications Costs identifies the increase or decrease in costs for wide-area and local area networks resulting from the acquisition. The ARS OCIO will prepare these tables for submission with the AAR, as applicable.

Agency Contact(s)

Provide the following contact information for the individual who is knowledgeable about the intent of the acquisition and the information contained in the AAR, and is best able to assist with any issues or questions that may arise:

Name:

Title:

Organization:

Address:

Email:

Telephone Number

Attachments

The following must be provided, if applicable:

- Information System Security Plan (*provided by OCIO*)
- Budget Categories Table (*provided by OCIO*)
- Table A-0 - Telecommunications Requirements (*provided by OCIO*)
- Table A-1 – Telecommunications Costs (*provided by OCIO*)
- Enterprise Architecture Requirements (*provided by OCIO*)
- Vendor Quote

- Statement of Work (SOW)
- Network diagram (identifying any external connectivity)