Defense Logistics Agency Instruction

Information Technology Acquisition Requirements Planning

References: Refer to Enclosure 1.

1. PURPOSE. The Defense Logistics Agency (DLA) Information Technology (IT) Acquisition Requirements Planning process describes the Agency's IT acquisition process. In particular, it describes the requirements packaging of an acquisition of commercially available software, hardware, telecommunications, rights and/or maintenance, and IT services. The process is intended to clearly define acquisition steps and documentation needs in order to achieve the potential cost savings/avoidance and standardization benefits inherent in a competitive and well-documented acquisition strategy, and to avoid costly proliferation of nonstandard and nonintegrated hardware and software.

2. APPLICABILITY. This DLA Instruction (DLAI) applies to Headquarters (HQ) DLA and all DLA Primary Level Field Activities (PLFA).

3. POLICY.

    a. DLA will follow the Federal Acquisition Regulation (FAR), Defense FAR Supplements (DFARS), General Services Administration (GSA) manuals, Enterprise Software Initiative (ESI) guidelines, Defense Logistics Acquisition Directive (DLAD), and DLA procurement policy letters. Deviations from these guidelines will require a signed waiver letter from DLA's Senior Procurement Executive (SPE). In addition, organizations requiring hardware, IT software or software support, IT services, or telecommunications should consult the DLA Enterprise Licensing Web page prior to any acquisition in order to review the latest sources and determine the most cost-effective strategy to meet a defined need. The DLA ESI waiver point of contact (POC) is in DLA Information Operations (J-6), Enterprise Licensing (J-654).

    b. All DLA acquisitions of IT products, services, and telecommunications must be performed in accordance with the Enterprise License Strategy/process, ESI process, and this DLAI.

c. IT acquisition authority and funding thresholds are governed by the DLAD, Part 39, and Department of Defense Instruction (DoDI) 5000.2.

(1) DLA PLFAs are authorized locally to procure IT resources up to a $50,000 threshold, within the Chief Technical Officer (CTO)-approved budgetary authorization, for all types of acquisitions from all types of sources. However, acquisitions from contracting offices outside of DoD must follow DLA Procurement Letter 05-01, subject: Proper Use of Non-DOD Contracts, and Related Memorandum Co-signed by the DLA Component Acquisition Executive (CAE) and Chief Financial Officer (CFO), dated March 25, 2005. DLA PLFA acquisitions are further governed by DLAI Information Technology (IT) Portfolio Management.

NOTE: Enclosure 2, paragraph 6. identifies the necessary documentation for IT acquisitions based upon specific dollar thresholds.

(2) Requirements for field procurement of IT acquisitions that exceed the PLFA threshold must be submitted to J-654 for requirements review and coordination with the functional sponsor. Final approval of DLA Delegation of Procurement Authority (DPA) is granted by DLA Acquisition Management (J-7).

(3) All IT acquisitions exceeding the Agency DPA threshold shall be submitted to J-6 for DPA request and Office of the Secretary of Defense (OSD) approval. The responsible J-6 office will prepare the required documents and submit them to the DLA Chief Information Officer (CIO) for signature, and DLA SPE (J-7) for coordination, and forward the package to the Office of Assistant Secretary of Defense (Network and Information Integration (ASD(NII)). DPA requests should be submitted for approval at least 45 days prior to solicitation. The solicitation or other requests for information will not be released until ASD(NII) approval is obtained.

d. IT service acquisitions must be performed in accordance with DoD and DLA Performance-based Service Acquisition (PBSA) policy and guidance, as directed by the Under Secretary of Defense for Acquisition, Technology and Logistics.

e. The procurement of non-consumable IT items for organizations serviced and supported by J-6, Fort Belvoir (J6F), will be initiated using the IT request form available at https://headquarters.dla.mil/j-6/j6f/j6fi/default.asp.

f. All hardware acquired as a part of the DLA infrastructure must adhere to architecture standards, security requirements, 508 compliance, and products in the IT Standards and Solutions documents. Requests to the Enterprise Architecture organization (J-643) for modification and approval to add products must be achieved prior to acquisition.

g. Issuance of orders for IT hardware, supplies, support, and services under a GSA schedule must follow the acquisition procedures at FAR/DFARS/DLAD Part 8. Issuance

of orders under multi-Agency and Government-wide agency contracts must follow the acquisition procedures at FAR/DFARS/DLAD *Part 16.505.* Orders shall be coordinated through DLA IT Financial Operations, Resources Management (J-86), unless otherwise authorized by the DLA CIO. Acquisition support information is available on the GSA Web site.

h.   The GSA SmartBUY, the DoD ESI agreements, and the DLA Enterprise agreements must be considered before using any other acquisition source.

(1) All software acquisitions must adhere to the ESI guidelines, as established in the DoD CIO Guidance and Policy Memorandum, and as outlined in the DLAI ESI Process. Acquisition of software available through ESI vehicles, but acquired from non-ESI sources, will require a signed waiver letter from the J-654 waiver authority.

(2) DLA managers must determine whether a SmartBUY or an Enterprise agreement exist to satisfy their requirement prior to the execution of an IT acquisition, regardless of contracting method. The DLA Enterprise Licensing Web page should be used as a resource for determining the status of Enterprise agreements. If a DLA Enterprise agreement does exist, the organization must either fulfill its acquisition through that agreement or obtain a signed waiver letter from the J-654 designated waiver authority prior to acquisition from any other source. Waiver approvals must be retained as a part of the contract file. Enterprise agreements will be established in accordance with DLAI Enterprise Licensing Strategy/Process.

i.   The use of loaned or trial products for a short duration of time (up to 60 days) must be based upon a bailment agreement approved by a contracting officer and legal counsel. Bailment agreements should be used sparingly and the PLFA should adhere to strict internal controls and risk management factors. The agreement time must be honored and product use must not lead to an unauthorized risk or use of Government funds. (Refer to DLAD, Part 39.)

j.   The J-6 staff will conduct periodic site visits to review IT project documents and other records as they pertain to IT acquisition(s) and funding execution.

k.   DLA must adhere to DoD and DLA policies on the use of non-DoD contract vehicles when procuring supplies and services for amounts greater than the simplified acquisition threshold.

l.   DLA must consider whether there is a requirement in a service acquisition for contractor knowledge transfer to designated Government personnel. If so, knowledge transfer must be considered as a weighted evaluation criteria prior to solicitation. If appropriate, the award selection process must require contractors to submit a knowledge transfer plan to the Government. After award, evaluate the success of a contractor's knowledge transfer plan at least annually as a part of the contractor's performance assessment report.

m. For all software purchases, DLA must consider the appropriate data rights required to meet the defined need in the most cost-efficient manner.

4. RESPONSIBILITIES. Refer to Enclosure 2.

5. PROCEDURES. Refer to Enclosure 2. Additional Information is located at Enclosure 3.

6. EFFECTIVE DATE.   February 22, 2006.

Director, DLA Enterprise Support

3 Enclosures
  Enclosure 1 – References
  Enclosure 2 – Responsibilities and Procedures
  Enclosure 3 – Additional Information

Enclosure 1
References

1. FAR/DFARS Part 6, Competition Requirements; Part 7, Acquisition Planning; Part 8, Required Sources of Supplies and Services; Part 12, Acquisition of Commercial Items; Part 13, Simplified Acquisition Procedures; Part 37, Service Contracting; Part 39, Acquisition of Information Technology; Part 51, Use of Government Sources by Contractors; and, http://www.arnet.gov/far/ and http://www.acq.osd.mil/dpap/.

2. DLAD, Revision 5 (http://www.dla.mil/j-3/j-3311/dlad/rev5.htm).

3. DLA Procurement Letter 98-07, subject: Acquisition of DLA Information Technology (IT), DLAD Part 39 (http://www.dla.mil/j-3/j-336/logisticspolicy/procltrs98_2.htm).

4. Executive Office of the President, Office of Management and Budget Memorandum No. M-04-08, subject: Maximizing Use of SmartBUY and Avoiding Duplication of Agency Activities with the President's 24 E-Gov Initiatives (http://www.cio.gov/documents/m04-08.pdf).

5. Executive Office of the President, Office of Management and Budget Memorandum No. M-04-16, subject: Software Acquisition (http://www.cio.gov/documents/OMB%20Software%20Acquisition%20Memo%20m-04-16.pdf).

6. GSA SmartBUY Waiver Process, CIO Counsel, August 24, 2004 (http://www.cio.gov/index.cfm?function=specdoc&id=546).

7. DoD CIO Guidance and Policy Memorandum Number 12-8430, July 26, 2000, Acquiring Commercially Available Software (http://www.esi.mil/uploaded_documents/0210ESI35915.doc).

8. Under Secretary of Defense (Acquisition, Technology and Logistics) Memorandum, subject: Performance-based Service Acquisition (PBSA), April 5, 2000 (http://www.dla.mil/j-3/j-336/pbsa.htm).

9. Guidebook for Performance-based Service Acquisition (PBSA) in the Department of Defense, December 2000 (http://www.acq.osd.mil/dpap/paic/guides.htm).

10. DLA Information Technology Solutions, August 2007 (https://dla1.eportal.dla.mil/irj/servlet/prt/portal/prtroot/com.sap.km.cm.docs/ewpAgency DocumentsPublic/HQ/J-6/J-64/J-641/DLA%20IT%20Solutions%20Document.doc).

11. GSA Web site with guidance for IT purchases (http://www.gsa.gov/Portal/gsa/ep/home.do?tabId=0).

12. Additional guidance is provided by memorandum co-signed by the DLA CAE and CFO, dated March 25, 2005.

13. Department of Defense (DoD) Instruction (DoDI) 5000.2, Operation of the Defense Acquisition System, May 12, 2003 (http://dod5000.dau.mil).

14. J-33 DLA Procurement Letter 05-01, January 12, 2005, Subject: Proper Use of Non-Department of Defense (DoD) Contracts; DLAD Sections 2.101; 7.000; 7.102; 7.104-90; 7.104-91; 7.9001; 7.9002; 7.9003; 8.404-70; 37.105; 37.590-3; 37.590-4 (http://www.dla.mil/j-3/j-336/logisticspolicy/PROCLTR2005.htm).

15. Guidebook for Intellectual Property: Navigating Through Commercial Waters, October 21, 2001 (http://www.acq.osd.mil/dpap_archive/Docs/intelprop.pdf).

Enclosure 2
Responsibilities and Procedures

1. Receive and evaluate requirement. J-654 reviews requirements, prepares Enterprise acquisition packages that comply with the appropriate acquisition regulations, and coordinates with the appropriate business office(s), as needed. Acquisition managers throughout DLA must conform to this process when acquiring IT products. Any DLA employee involved in acquiring hardware, software, or telecommunications must comply with this process and use process controls as defined. The process must begin with a well-documented need.

   a. Requirements Review and Approval. Review incoming requirements, verify the requirement and approve.

   b. If requirement is not approved, return to customer with explanation of disapproval.

      (1) Conduct Market Research. Product and cost information on the requirement is obtained by researching on the Internet and from various vendors selling the product. Manufacturers and resellers are evaluated for possible sources of the requirement. Information is gathered on at least three companies, if available, to satisfy competition requirements.

      (2) Evaluate Product. Occasionally contractors provide free software to be evaluated prior to making a purchase decision. In these cases, an agreement is made between DLA and the contractor; setting up a testing and evaluation period (30-90 days). After the test and evaluation is complete, a determination is made to either return the product or execute an award document, subject to competition requirements, by a contracting office to buy the product.

2. Determine IT Solution Compliance with Architecture. Ensure that the hardware/software requirement is in the IT Solutions Document. If the requirement is not identified in the IT Solutions Document, find an alternative solution or obtain approval from J-6 Solutions Delivery to add the product to the DLA architecture.

3. Analyze alternatives. Acquisition packages must contain an alternatives analysis with a supporting marketing survey prepared by the acquisition manager or sponsor of the request.

4. Evaluate SmartBUY, ESI, and existing DLA Enterprise contracts/agreements. Acquisition managers and end-users shall determine if the proposed acquisition fully complies with the published SmartBUY and ESI guidelines, and if not, determine if a waiver action is warranted in order to meet the requirement. Next, managers determine if a DLA Enterprise agreement is available and coordinate its use with J-654.

a.   Request threshold approvals or waivers. Requests for approval of acquisitions that exceed the IT approval thresholds must be submitted to J-65 for coordination and approval from J-33.

b.   Waiver requests to use contract vehicles other than existing ESIs must be submitted to J-654.

5.   Prepare acquisition package documentation. Search the Enterprise Licensing Web page, to determine if an existing enterprise agreement will satisfy the requirement. Review existing agreements to assess limitations and coverage. Contact J-654 for procurement of the requirement off an existing agreement, or to evaluate the need for initiation of an Enterprise agreement. If no agreement is found or initiated, proceed with a new contract. The acquisition package should be compiled with documentation needed, based on dollar threshold and acquisition guidance. Reference IT Acquisition Documentation Requirements Matrix, below. Ensure that a firm, fixed-priced service acquisition meets performance-based goals. If performance-based goals will be incorporated into the contract, requirements documentation must identify the most important performance objectives or outcomes that will drive successful performance. For each performance or objective, include a corresponding performance standard, acceptable quality level, method of surveillance, and incentive.

6.   Verify Funding Availability and Approval. Funds availability must be verified by the requesting office and approved at the Division Chief level. The request for funding will be submitted for inclusion with the acquisition package. All new Program Budget Review/Budget Estimate Submission initiatives that are $100,000 and above will need requirements documentation to be vetted through the Deputy Director, Information Operations, Chief Technical Officer. New initiatives need a mission needs statement and functional requirements document as described in DLAI Automate Information Systems (AIS) Portfolio Management. DLAI AIS Portfolio Management also describes the review groups within DLA that approve new initiatives.

7.   Submit the requirements package to contracting office with funding. The final acquisition package and the funding document will be submitted to the appropriate DLA contracting office, or another DoD contracting office for award. Acquisition packages being sent to non-DoD activities for contracting action must be submitted to J-86, IT Financial Operations, Resources Management, and DLA Enterprise Support Contracting (DES-A) for approval prior to being submitted to the non-DoD contracting office. Knowledge transfer must be included as a requirement for service contracts if appropriate.

8.   Maintain acquisition documentation. Sites must ensure compliance with dollar thresholds or submit waiver requests, and maintain required documentation in the acquisition file in order to support site visits by DLA acquisition teams or other internal and external audits.

9. Provide contract administration and contract management support upon award of the requirement.

Enclosure 3
Additional Information

1. DLA's IT goal is to move toward use of SmartBUY, ESI, and DLA Enterprise contracts for cost savings. If a new Enterprise requirement is identified, contact J-654 for processing. J-654 will determine whether to propose the initiative to ESI for processing or initiate a new DLA Enterprise agreement. Sites must fund their portions of the requirement on the DLA Enterprise contract. Documentation requirements are reflected in the following matrix.

2. IT Acquisition Documentation Requirements Matrix

Samples/Assistance available upon request	Purchases Under $2,500	Simplified Acquisition Procedure (SAP) ($2,501-$100k)	GSA Schedule and BPAs (Blanket Purchase Agreement)	Delivery Orders Placed Against Existing Contracts	New Contracts (>$100k)
Activity Request Number (ARN) This consists of the activity/calendar year/Julian Date/Sequence Number; i.e., SOI01122001)	Yes	Yes	Yes	Yes	Yes
Independent Government Cost Estimate (IGCE) (Mandatory for ALL requirements over $2,500) include Rationale for the Development of the IGCE	No	Yes	Yes	Yes	Yes
Market Research	No	Yes (Must include small businesses/ manufacturers)	Yes	Yes	Yes

Statement of Work (Mandatory for all Services requirements)	Yes	Yes	Yes	Yes	Yes
Justification and Approval (J&A) for Other than Full and Open Competition	No	Yes	Yes	Yes	Yes
Funding Document	Yes (See Note 1.)	Yes	Yes	Yes	Yes
Contracting Officer Representative (COR) & Contracting Officer Technical Representative (COTR) Nomination (Mandatory for all service orders. Proof of Training Required)	No	Yes (services only)	Yes (services only)	Yes (services only)	Yes
Purchase Description/Delivery Instructions (include POC, comm. phone number, complete delivery address/room #)	Yes	Yes	Yes	Yes (include DoDAAC)	Yes

NOTE: All purchases under $2,500 should be accomplished using an activity's Government-wide Commercial Purchase Card (IMPAC card). Any purchase under $2,500 forwarded to contracting office to be awarded other than as an IMPAC card buy must be accompanied by a J&A signed by the requiring activity's Senior Executive Service member, flag officer, or the head of the requesting activity.

3. The inputs for this process are:

   a. Complete requirements analysis/solicitation.

   b. Analysis of alternatives.

c. Request for waiver.

d. Business cost-threshold analysis.

e. Requests for the documents and/or site visits.

f. Early involvement will support requirements analysis, documentation, advertisement, and timely award.

   (1) Action is to prepare acquisition package for contracting.

   (2) Process occurs when IT must be procured.

g. IT acquisition would occur for new architecture, system implementation, upgrades, ongoing maintenance, and modernization programs within DLA.

4. The typical outputs for this process are:

a. Acquisition requirements using an existing SmartBUY agreement that can be used to satisfy a requirement.

b. Acquisition requirements using an existing DoD Enterprise Software Agreement (ESA) that can be used to satisfy a requirement.

c. Acquisition requirements using an existing DLA Enterprise agreement that can be used to satisfy a requirement.

d. Acquisition requirements using a GSA schedule that can be used to satisfy a requirement.

e. Acquisition requirements using a new contract that can be used to satisfy a requirement.

   (1) Performance-based acquisitions.

   (2) Hardware and software in the DLA IT Solutions Document.

   (3) Approved procurement package.

   (4) Reports of DLA site visits.

f. The focus of this process is to ensure that DLA achieves the potential cost savings/avoidance and standardization benefits inherent in a responsive, competitive, and well-documented acquisition strategy that satisfies the needs of the warfighter and the mission.

(1) The acquisition process supports the Internal Process Strategy of the Balanced Scorecard by providing hardware, software, and services in a cost-effective and consistent manner. A well-defined acquisition strategy will ensure that the infrastructure and systems deliver quality logistics information to customers and reduce IT infrastructure costs.

(2) IT acquisition supports Goal 2 of the DLA Strategic Plan FY07 – FY13, as stated.

(a) Goal 2: Continuously improve DLA performance through the development of better processes and business arrangements that reduce cost, increase logistics capabilities, and link customer demands with our supply chains.

(b) Strategy 5: Design, implement, and sustain a best value enterprise IT environment.

g. The focus for the activities conducted during the IT acquisition process is to ensure that the customer receives goods/services from the supplier at the RIGHT TIME.

(1) The metric is cost savings/cost avoidance (i.e., RIGHT ITEM and RIGHT PRICE), which links to the Internal Perspective (IP) quadrant of the Balanced Scorecard, as stated.

(2) IP5: Design and implement a best-value Enterprise IT environment.

5. Competencies and Certifications.

a. Familiarity with ESI process.

b. Familiarity with IT acquisition regulations and policies.

c. Technical expertise in IT infrastructure.

Information Technology (IT) Acquisition Requirements Planning

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┌─────────────────────┐
│  Receive/Evaluate   │
│     Requirement     │
└─────────────────────┘
          │
          ▼
┌─────────────────────┐
│    Requirements     │
│  Review & Approval  │
└─────────────────────┘
          │
          ▼
┌─────────────────────┐
│  Conduct Market     │
│ Research & Evaluate │
│     Product         │
└─────────────────────┘
          │
          ▼
      ╱Compliant╲          No      ┌─────────────────────┐
     ╱ Solution  ╲ ──────────────▶ │ Analyze Alternatives│
      ╲         ╱                   │         Or          │
       ╲       ╱                    │ Obtain Arch Approval│
        Yes                         └─────────────────────┘
         │                                     │
         ▼                                     │
    ╱Smart Buy,╲                       ╱   Use    ╲
   ╱ESI Agreement╲    Yes             ╱ Smart Buy, ESI or╲
  ╱ Available or Use╲ ──────────────▶ ╲ Enterprise Contract╲
   ╲   Enterprise  ╱                   ╲               ╱
    ╲  Contract   ╱                   Yes          No
         │                             │            │
         No                            ▼            │
         │              ┌─────────────────────┐    │
         ▼              │ Prepare acquisition │◀───┘
                        │ package documents.  │
                        │  Include knowledge  │    ┌──────────────┐
                        │ transfer requirement│◀───│   Request    │
                        │   as appropriate    │    │  Threshold   │
                        └─────────────────────┘    │ Approvals or │
                                   │               │   Waivers    │
                                   ▼               └──────────────┘
┌─────────────────────┐      ╱ Non-DoD ╲
│ Obtain J-3/DES/J-8  │ Yes ╱Contracting╲
│  approval prior to  │◀────╲  Action   ╱
│ sending to non-DoD  │      ╲    ?    ╱
│Activity for contracting│        │
└─────────────────────┘         No
          │                      │
          │                      ▼
          │        ┌─────────────────────┐
          └───────▶│ Funding verification│
                   │Approvals for MIPRs, service│
                   │orders & local funding│
                   └─────────────────────┘
                              │
                              ▼
                   ┌─────────────────────┐
                   │Submit to Contracting│
                   │  Office with funding│
                   └─────────────────────┘
                              │
                              ▼
                   ┌─────────────────────┐
                   │ Maintain Acquisition│
                   │    Documentation    │
                   └─────────────────────┘
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