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**DEFENSE LOGISTICS AGENCY**  
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APR 28 1998

DLSC-P  
PROCLTR 98-07

MEMORANDUM FOR PROCLTR DISTRIBUTION LIST

SUBJECT: Acquisition of Information Technology (IT), DLAD Part 39

This PROCLTR forwards the new DLAD Part 39 coverage (Attachment), which replaces DLAD Part 201-39, REV 1, in its entirety. The attached coverage incorporates changes provided in the *Federal Acquisition Circular (FAC) 90-41*, effected by interim rule on August 8, 1996. *FAC 90-41* implemented the Information Technology Management Reform Act of 1996 (ITMRA). Under this FAC, applicable provisions of the Federal Information Resources Management Regulation have been incorporated into FAR Part 39, thus eliminating FAR Appendix A, Acquisition of Federal Information Processing Resources Contracting.

The attached coverage increases the Defense Logistics Agency contracting offices' procurement authority, other than DASC-C's, from \$250,000 to \$500,000 (including options) for awarding IT contracts for competitive procurement, and from \$50,000 to \$500,000 for noncompetitive procurement. The same thresholds apply when placing an order against a GSA schedule contract (except that the maximum order threshold must be taken into account), multi-agency, or government-wide agency contract. Any increase to the above procurement authority shall be approved by DLSC-POA.

Documentation requirements have also changed as a result of ITMRA. Acquisitions valued less than \$100,000 will be documented according to local procedures or as appropriate, based on the complexity of the procurement. Acquisitions valued between \$100,000 and \$500,000 require a modified justification (refer to DLAD 39.901(a)(2)). Documentation for acquisitions exceeding \$500,000 must be supported with an Alternatives Analysis (AA) and/or Requirements Analysis (RA). The format for an RA and an AA can be found on the DLA Chief Information Officer (CIO) Intranet Homepage at <http://www.cio.dla.mil>.

In addition to the ITMRA changes, we want to draw your attention to the Year 2000 compliance (Y2K) requirements at Subpart 39.106, which were effective on January 1, 1997, with the publication of FAR Case 96-607 on January 2, 1997, as item XIV in FAC 90-45. FAR Subpart 39.106 requires that all IT be Y2K compliant and that all non-compliant IT be upgraded to be Y2K compliant. DLAD 39.106 also provides that non-IT items that are required to perform date/time processing involving dates subsequent to December 31, 1999, be acquired or upgraded as Y2K compliant. This is a matter of great significance, and depending on the complexity of the requirement, it may be appropriate to request testing of a representative sample of the IT delivered for Y2K compliance. If it is necessary to test for Y2K compliance, the results should be documented in writing, either by the supplier or the acquiring activity.

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This PROCLTR is effective immediately. It expires upon incorporation in the DLAD, but in no event later than 1 year from the issue date. Our point of contact is Ms. Diana Maykowskyj. She may be reached at (703) 767-1364, DSN 427-1364, by facsimile at (703) 767-1328, or by E-mail at [diana\\_maykowskyj@hq.dla.mil](mailto:diana_maykowskyj@hq.dla.mil).

Attachment



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## **PART 39**

### **ACQUISITION OF INFORMATION TECHNOLOGY**

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## **PART 39**

### **ACQUISITION OF INFORMATION TECHNOLOGY**

#### **39.000 Scope.**

This subpart prescribes interim policies and procedures for the acquisition of Information Technology (IT) and Telecommunications.

#### **39.101 Policy.**

To the greatest extent possible, acquisitions for IT and Telecommunications should be treated as any other acquisition and unique requirements should be kept to a minimum.

#### **39.900 Procedures for IT procurement.**

(a) Contracts for IT may be awarded by DLA contracting offices other than DASC-C under the following conditions:

1. The total value of the contract (including options) does not exceed \$500,000;
2. The contract will occur by placing an order not exceeding \$500,000 against a GSA schedule contract;
3. The contract will occur by placing a delivery order against an applicable HQ DLA or joint service indefinite quantity or requirements contract (as authorized by the contract), except for items for the mid-tier. *Mid-tier refers to those machines that fall in the range between the work station and the mainframe. Examples of their uses include, but are not limited to, client servers, network controllers, process controllers, and dedicated single application processors. All mid-tier requirements must be submitted to DSDC-TB for technical coordination with the appropriate DSDC offices prior to submission to DASC-CA. DASC-CA will acquire the initial maintenance requirements in support of mid-tier requirements. However, all follow-on maintenance in support of mid-tier equipment may be acquired by the contracting office supporting the DLA activity; or*
4. The contract is for IT supplies, training, or subscriptions (excluding software operating or application systems).

(b) Acquisitions in excess of the established thresholds shall be submitted to the Chief Information Officer Customer Support (CIC) office to: review the package for compliance with current DLA technical initiatives and policies; coordinate the package with the appropriate business office; and forward the package to DASC-CA for procurement.

(c) All requests for use of the Defense Information Systems Agency (DISA) Defense Enterprise Integration Services (DEIS II) contracts shall be submitted to CIC, unless otherwise authorized in writing by the DLA Chief Information Officer (CIO). Use of other multi agency and government-wide agency contracts (GWACs) for IT supplies or IT support services shall be processed through CIC, unless otherwise authorized by the DLA CIO.

(d) Prior to acquiring IT supplies or IT support services from a multi agency contract, the requesting activity shall comply with FAR Subpart 17.5, Interagency Acquisitions Under the Economy Act (EA). If an EA determination is required, it shall be submitted to CIC with the request to use a multi agency contract. Prior to approving the use of a multi agency contract, CIC shall submit the EA determination to DASC-C for review and action.

(e) All requirements to be acquired under the GSA Federal Systems Integration and Management (FEDSIM) Program shall be staffed through CIC for informational purposes and investment accountability by the CIO.

#### **39.901 Documentation requirements for IT procurement.**

(a) The following documentation will be forwarded to the contracting office to be included in the contract file.

1. Documentation for acquisitions valued below \$100,000 shall be in accordance with local procedures, or as appropriate for the complexity of the requirement.

2. Documentation for acquisitions valued between \$100,000 and \$500,000 require a modified justification. The following information shall be provided in a justification for an acquisition in this dollar range.

(i) A paragraph or less describing why the IT is needed and the program/project/ Automated Information System (AIS) being supported by the IT.

(ii) A description of what is being acquired, such as hardware or software, etc. Identify the product, model number, version number, quantity, unit cost and any other attributes such as essential physical characteristics. For support services include a Statement of Work.

(iii) Delivery information: Must include the exact location and point of contact with commercial and DSN telephone numbers. Example:

Defense Logistics Agency (DLA)  
8725 John Kingman Road  
Pod B. Room 1246  
Fort Belvoir, VA 22060  
POC: Jane Doe, Commercial (703)767-1234, DSN 427-1234

(iv) Sources: Attach a copy of the market survey for each recommended source.

(v) Funding Document.

(vi) For sole source (only one source, specific make or model or compatibility-limited) attach appropriate Justification for Other than Full and Open Competition.

(vii) Other: Any miscellaneous information.

(b) Documentation in the form of a Requirements Analysis (RA) and an Analysis of Alternatives (AA) shall be prepared and submitted to the contracting office for inclusion in the contract file for acquisitions exceeding \$500,000.

1. A Requirements Analysis is a prerequisite to the acquisition of IT, which provides the basis for an AA for meeting the stated requirements, and it should be commensurate with the dollar value and complexity of the procurement. A Requirements Analysis should address the following elements in support of the requirement: information needs, system life, description of requirements, compatibility-limited requirements, justification of specific make and model (if applicable), security requirements, accessibility requirements for individuals with disabilities, space and environmental requirements, workload and related requirements, and record management requirements.

2. An Analysis of Alternatives is conducted after the completion of the RA and compares and evaluates various alternatives for meeting the requirements and to determine which alternative is the most advantageous to the Government. The AA should be commensurate with dollar value and complexity of the results from the RA. The AA should consider the following: the results of the market research, use of GSA's IT programs, IT available for reuse, use of existing IT on a shared basis, cost for each alternative, conversion costs, benefits (quantifiable/nonquantifiable), and obsolescence.

(c) Acquisitions valued between \$500,000 and \$1,000,000 shall be supported by an RA and an AA that demonstrates that the benefits of the acquisition exceed the cost.

(d) Acquisitions in excess of \$1,000,000 shall be supported by an RA and an AA. The AA must calculate the total estimated costs using net present value for each of the possible alternatives.

### **39.902 Telecommunications equipment and services.**

(a) Telecommunications equipment and services meet the definition of information technology.

(b) Contracts for telecommunications equipment and services may be awarded by DLA contracting offices other than DASC-C under the following conditions:

1. The contract will occur by placing an order not exceeding \$500,000 utilizing the GSA Purchase of Telecommunications & Services (POTS) type contracts.

2. The total value of the procurement (including options) does not exceed \$500,000.

(c) Acquisitions for telecommunications equipment and services in excess of the thresholds in (b) above shall be submitted to CIC who will: review the package for compliance with current DLA technical initiatives and policies; coordinate the package with the appropriate business office; and forward the package for DASC-CA for procurement.

(d) Communication Services Authorities (CSAs) shall only be signed by contracting officers.

#### **39.106 Year 2000 compliance (Y2K).**

(a) (90) All solicitations and contracts for non-IT items (non-IT items are those items that contain embedded microcircuit chips with a clock mechanism, timing device, or control device) are required to perform date/time processing involving dates subsequent to December 31, 1999, shall require the deliverables to be Year 2000 compliant or be upgraded to Y2K compliant.

(90) Orders for IT shall not be placed against a contract or other acquisition instrument unless the contract instrument requires Y2K compliance or the order itself requires Y2K compliance.

(91) The contracting officer shall use the definition of Year 2000 Compliant at FAR 39.002 in all solicitations and contracts to describe the Y2K compliance requirement. The definition language should be included in Section C, Description/specification/work statement of the solicitation and contract, and therefore would not require a separate clause to enforce the requirement.

(92) Exception or waiver requests to Y2K compliance must be approved by the DoD Chief Information Officer (DoD CIO). All requests for exception or waiver shall be submitted to the DLA CIO for review and approval prior to submission to the DoD CIO. The exception or waiver request must be supported with a written commitment from the contractor to provide the Y2K enhancement by a specific date in the future, no later than December 31, 1999.

(93) Contracting officers should consider requiring testing for Y2K compliance based on the complexity of the IT requirement. Testing procedures should allow for a representative sampling of the IT delivered to be tested for Y2K compliance and the results should be documented in writing, either by the supplier or the acquiring activity.