

Procurement Advisory No. 53 A

Procurement Procedure for Information Technology Acquisition Approval Request (AAR)

1. SUMMARY

This advisory outlines procedures that contracting officials shall follow when acquiring information technology (IT) equipment, supplies, software, or services above \$25,000. The \$25,000 threshold may only be altered if the Department of Agriculture (USDA) Chief Information Officer (CIO) specifically updates the threshold for a particular agency at which that specific agency should employ the IT Acquisition Approval Request (AAR) process.

2. DISCUSSION

a. The IT AAR process establishes USDA procedures for complying with the statutory requirement for approval of the use of funds prior to awarding orders or contracts for IT equipment, supplies, software, or services.

b. This review process applies to all types of IT acquisitions, contracts and agreements, that exceed the CIO established threshold per agency including:

- All contracts or orders under any contract type;
- Open market blanket purchase agreements (BPAs) – both the initial agreement and any BPA orders or calls;
- BPAs placed under General Services Administration (GSA) Multiple Award Schedules – both the initial agreement and any orders or calls;
- Indefinite delivery contracts – both the initial contract and each order;
- Commercial item or service, contract or order;
- Orders under Federal Acquisition Regulation (FAR) part 8 including Federal Prison industries, nonprofit agencies employing people who are blind or severely disabled;
- Modifications to contracts and orders;
- Significant changes to the acquisition approach;
- Option renewals; and
- Interagency acquisitions.

c. **Approving Officials.** Approving officials for IT Investments:

- i. **Major IT Investments.** Major IT investments (see Section 3, *Definition*, below) require prior written approval issued within the AgMax system directly from the Chief Information Officer (CIO). This approval authority is **not delegable**.
- ii. **Non-major IT Investments.** Non-major IT investments require prior written approval issued within AgMax system from the CIO or if \$20,000,000 or less from the Associate CIO for Information Resource Management (IRM).
- iii. **Both Major and Non-major IT Investments:** An AAR that is funded by **both** major and non-major would default to the higher level of approval and require approval directly by the CIO.

d. **AAR Review by CIO or OCIO.** The AAR shall be submitted into the AgMax system by the agency/staff office AAR Manager after Program Manager and Contracting Officer collaboratively complete Attachment A (*OCIO Review of Contract or Other Agreements*). A copy of the statement of work, performance work statement and other solicitation documents shall be provided, as required by OCIO for the review. The appropriate OCIO approving official shall review and provide a signed, written approval in AgMax. The agency/staff office AAR manager shall submit the AAR for review in AgMax **at least 60 calendar days prior** to the date IT equipment or services are required.

e. **Acquisition Planning.** Acquisition planning shall be conducted as needed in accordance with USDA agency contracting activity procedures and as required by USDA's FAR Supplement, Agriculture Acquisition Regulation (AGAR) Section 407.103. Acquisition plans shall be collaboratively drafted to facilitate attainment of the acquisition objectives as required by FAR subpart 7.1. Acquisition planning shall integrate the efforts of all personnel responsible for significant aspects of the acquisition, and include, at a minimum, the Contracting Officer and Program Manager. The process should begin as soon as the IT need is identified which will help ensure that IT needs are met in the most effective, economical, and timely manner.

3. DEFINITIONS

a. **Major IT Investment.** DR-3130-008 defines this type of investment. If an IT investment meets the criteria to be considered a major IT investment, this will be noted in the purchase request (or requisition) that the contracting office receives.

*(For example, this designation applies to all IT investment with a total life cycle development, modernization and enhancement (DME) investment cost greater than \$20 million, **BUT** it may also apply to acquisitions at lower costs. Generally, these are investments determined by the agency and OCIO as requiring special management attention because of their importance to the mission or significant program or policy implications.)*

b. **Non-major IT investments.** This includes any IT investment which has not been designated to be a major IT investment.

c. **Investment Name.** This is the name assigned by the agency in collaboration with the OCIO from the approved investment list.

4. REFERENCES

a. Consolidated and Further Continuing Appropriations Act for Fiscal Year 2015, P. L. 113-235, Division A, Title VII, Section 706.

b. Title 40 USC §11319, "Federal Information Technology Acquisition Reform Act," (National Defense Authorization Act for Fiscal Year 2015, Title VIII, Subtitle D, P.L. 113-291).

c. Office of Management and Budget Memorandum M-15-14, Management and Oversight of Federal Information Technology, dated July 10, 2015.

d. USDA Departmental Regulation DR 3130-008, Definition of Major Information Technology Investments," dated February 27, 2015.

e. The Department of Agriculture Supplement, Federal Acquisition Regulation (AGAR) 48 CFR Chapter 4, Part 439, "Acquisition of Information Technology."

f. Office of Management and Budget capital planning and investment control (CPIC) guidance, which is issued annually in conjunction with the release of OMB Circular A-11. OMB IT budget capital planning guidance available at: <https://www.whitehouse.gov/omb/e-gov/strategiesandguides>.

- g. FAR Subpart 34.004 Acquisition Strategy
- h. FAR Subpart 7.1, Acquisition Plans.
- i. AGAR Section 407.103.

5. ACTIONS

a. Program Manager or Requesting/Requisitioning Official. The program management office is responsible for ensuring that:

- i. the AAR is submitted in the AgMax system for OCIO or CIO review and approval;
- ii. the statement of work, performance work statement and other solicitation documents, as required, are uploaded to the AgMax system;
- iii. the signed AAR approval memo includes:
 - (a) the AAR number;
 - (b) the name of each investment name that funds the AAR; and
 - (c) investment type (major or non major) of each investment that funds the AAR;
- iv. the AAR number and signed approval are inserted in the associated requisition/request in the Integrated Acquisition System (IAS); or
- v. if the AAR has not been approved prior to the submission of the requisition, the AAR number and signed approval memo shall be provided to the contracting officer. (The Contracting Officer will then enter the AAR Number and insert the approval memo into IAS.)

b. Contracting Officers. Contracting officers shall ensure that each applicable request for IT equipment, supplies, software, or services, as discussed in this advisory, has signed approval:

- i. in accordance with Section 2.c of this advisory; and
- ii. the AAR approval is received:
 - (a) at the time of receipt of the requisition for the IT equipment, supplies software or services; or
 - (b) at least **30 calendar days prior to the anticipated date of award**.
- iii. **Approval.** Contracting officers shall confirm that each signed approval conforms to the following:
 - (a) each signed approval must refer to the specific investment(s);
 - (b) approval authority may not be further delegated and other individuals may not “sign for” the designated official;
 - (c) the AAR number and signed approval have been input into IAS; and
 - (d) the AAR number and signed approval have been included in the contract file.

v. **Additional actions.** Contracting officers shall:

- (a) include a copy of the signed AAR Approval memo document in the contract file;
- (b) include a copy of the completed Attachment A (*CIO Review of Contract or Other Agreement*) in the contract file;
- (c) collaborate in the acquisition planning process; and
- (d) when applicable, collaborate in completing the acquisition plan.

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EXPIRATION DATE: Effective upon issue date until canceled.