

## Procurement Advisory No. 53

### USDA Information Technology Acquisition Approval Process

#### 1. INTRODUCTION

The purpose of this Procurement Advisory is to disseminate information, issued by the Department of Agriculture (USDA) Office of the Chief Information Officer (OCIO), regarding the information technology (IT) acquisition approval process; and to remind acquisition personnel of these requirements.

#### 2. SUMMARY

USDA Chief Information Officer (CIO) memorandum of May 13, 2003, revised the threshold at which USDA CIO IT acquisition approval is required, lowering the threshold from \$250,000 to \$25,000. All exemptions and conditions included in the current process, delineated in USDA OCIO Memorandum of May 9, 2002, remain in place, until superseded by revised USDA OCIO guidance. Procurement Advisory No. 47, dated May 20, 2002, is cancelled and superseded by this Procurement Advisory which incorporates the revised threshold.

#### 3. SPECIFIC ISSUES

- USDA CIO memorandum of May 13, 2003, copy attached, lowers from \$250,000 to \$25,000 the threshold at which IT investments are required to be approved by the USDA CIO.
- All special exemptions and conditions included in the current process will remain in effect. The current process is set forth in USDA OCIO memorandum of May 9, 2002, copy attached.
- USDA OCIO memorandum of May 9, 2002, delineates the approval requirements for IT acquisitions, and includes a format to be followed when preparing an acquisition approval request.
- As stated in the OCIO May 9, 2002 memorandum, *revised to replace \$250,000 with \$25,000*, where that threshold appears:

“An acquisition approval request must be made if a USDA agency wishes to expend **\$25,000** “or more for an IT acquisition. ***This also applies to orders against all existing contracts and General Services Administration schedules.*** The following activities are exempt from the IT acquisition approval process:

- The renewal of existing contracts for maintenance and leases, so long as optional enhancements and/or upgrades which exceed the **\$25,000** threshold are not involved; and
- IT acquisitions for organizations other than USDA agencies when funded by USDA grants.

Special activities that require acquisition approval as part of this process include:

- All telecommunication acquisitions (with no dollar threshold) for agencies that have not met the Telecommunications Network Stabilization and Migration Program requirements. This includes entry of planned telecommunication acquisitions into the Forecast, Inventory and Reporting system; and
- Software or hardware for major systems within the functional areas of the Department's corporate *Administrative and Financial Systems Portfolio*. This will ensure that agency activities are

coordinated while enabling agencies to proceed on priorities that are not part of the corporate portfolio. Specifically, the functional areas include:

- o Accounting/Budget Execution;
- o Budget Formulation/Salary Projections;
- o Human Resources;
- o Procurement (Purchase Card and other acquisitions);
- o Property (Personal and Real);
- o Payroll; and
- o Travel.”

Questions regarding these IT acquisition approval requirements should be directed to agency CIOs or the USDA OCIO.

~ Departmental Regulation 5039-7, Delegation of Procurement Authority for Information Technology, dated September 18, 1998, paragraph 3, Background, subparagraph d states that:

“Proposed IT acquisitions and information resources activities must comply with all requirements established by the OCIO. OCIO oversight includes both approving IT investments and monitoring and evaluating the performance of these investments. Requirements include: (1) compliance with the Capital Planning and Investment Control Process; (2) compliance with standards of the USDA Information Systems Technology Architectures; (3) obtaining technical approvals in accordance with DR 3130-1; and (4) compliance with requirements of any prevailing OCIO moratoriums or USDA directives.”

The IT acquisition approval requirements delineated in the USDA OCIO May 9, 2002 memorandum, as modified by the USDA CIO May 13, 2003 memorandum, are the procedures which superseded the original OCIO IT acquisition moratorium procedures.

#### 4. CONTACTS

If you have questions or comments regarding this advisory please contact the OPPM Procurement Policy Division at [procurement.policy@dm.usda.gov](mailto:procurement.policy@dm.usda.gov).

---

If you have questions or comments regarding this advisory please contact Al Muñoz by telephone at 202.720.1273 or email at [Al.Munoz@dm.usda.gov](mailto:Al.Munoz@dm.usda.gov), or send an email message to the OPPM Procurement Policy Division at [procurement.policy@dm.usda.gov](mailto:procurement.policy@dm.usda.gov).

**EXPIRATION DATE:** Effective until canceled.

[END]