

**For:** FAS, FSA, and RMA Offices

**Information Technology (IT) Investments Moratorium**

**Approved by:** Deputy Administrator, Management



**1 Overview**

**A Background**

On February 7, 2000, the Department’s Chief Information Officer (CIO) issued a memorandum to the Service Center Agencies that:

- informed the agencies of the IT budget review results for FY 2000
- granted waiver approval for the listed IT spending at the allowance level.

Therefore, no waiver requests were needed for those items in FY 2000.

On November 2, 2000, as a reminder, CIO issued a memorandum to the Service Center Agencies that stated, “effective immediately, waiver requests must once again be submitted for all IT expenditures covered under the IT moratorium.”

**B Purpose**

This notice provides the updated guidance about all IT acquisitions during the moratorium on IT investments.

**C Contact**

Direct questions about this notice to Johnny Grace, ITSD, 202-720-4928.

**D Action**

FAS, FSA, and RMA offices are expected to comply with the terms of the moratorium, as stated in this notice. The Office of the Chief Information Officer (OCIO) has not provided a projected end date to the moratorium, which will continue until further notice.

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<p><b>Disposal Date</b></p> <p>October 1, 2001</p>	<p><b>Distribution</b></p> <p>All FAS, FSA, and RMA Offices; State Offices relay to County Offices</p>
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## Notice IRM-318

### 2 Identifying Significant IT Acquisitions

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#### A Moratorium Provisions

The IT acquisition moratorium applies to all IT acquisitions over \$250,000, including orders against all existing contracts and GSA schedules, except for those exceptions listed in subparagraph B.

Waiver requests that were not part of agency capital investment plans approved by the Executive Information Technology Information Resources Board (EITIRB) will be submitted to EITIRB for approval.

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#### B Exceptions

The following activities will remain exempted from the IT acquisition approval process:

- renewals of existing contracts for maintenance and leases, if optional enhancements and/or upgrades (which cost in excess of \$250,000) are not involved
- IT acquisitions by organizations other than USDA agencies, but funded by USDA grants.

The following definitions apply to the terms “Enhancement/upgrades” and “Maintenance”:

- Enhancement/upgrades are costs for changes or modifications to existing systems that improve capability or performance, including changes mandated by Congress, or agency leadership and personnel costs for project management and direct support.
  - Maintenance is the cost of operations at a current capability and performance level, including personnel costs, maintenance of existing automated information systems, corrective software maintenance, voice and data communications maintenance, and replacement of broken IT equipment.
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2 Identifying Significant IT Acquisitions (Continued)

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C

Special Activities

Special activities that will require formal waivers as part of the IT acquisition approval process includes:

- all telecommunication acquisitions (**a zero dollar threshold**) for agencies that **have not** met the Telecommunications Network Stabilization and Migration Program (TNSMP) requirements. This includes entry of planned telecommunication acquisitions into the Forecast, Inventory and Reporting (FIR) system

**Notes:** FFAS is required to forecast telecommunications requirements by FY and enter them in the FIR database. Any request for services, equipment, or both not entered in the FIR database is considered an unplanned change, and therefore, requires the submission of an “Unplanned Change Waiver.”

Telecommunication acquisitions that have met TNSMP requirements and are under the \$250,000 threshold do not require IT acquisition approval.

- software or hardware for major systems within the following functional areas of the Department’s Corporate Administrative and Financial Systems Portfolio:
    - accounting/budget formulation and execution
    - human resources
    - procurement (purchase card and other acquisitions)
    - property management
    - payroll
    - travel.
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### 3 Guidelines for Significant IT Acquisitions

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#### A

#### Guidelines

FSA significant IT acquisitions must receive approval through the clearinghouse review process with the Service Center partner agencies.

Paragraph 5 and subparagraph 6 A provide additional information about the clearinghouse review process.

All FFAS agencies with acquisitions, determined to be significant IT acquisitions, must ensure that each acquisition:

- is sensitive to meeting the 8 criteria for managing major information systems according to OMB Memorandum 97-02 to Heads of Executive Departments and Agencies

**Note:** See subparagraph 6 C for a brief summary of the 8 criteria.

- receives a waiver from the Department CIO

**Note:** Subparagraph 6 B provides detailed information about preparing waivers for IT acquisitions.

- includes the following certification statement on AD-700, “This requirement is subject to the IT Investments Moratorium and a waiver has been approved by Department CIO, and as required by the EITIRB.”

**Note:** Attach a copy of the approved waiver to AD-700.

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## Notice IRM-318

### 4 Guidelines for Other IT Acquisitions

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#### A

##### Background

Although acquisitions less than \$250,000 are not part of the IT investments moratorium, Department CIO requires each agency to adhere to the same principles under which the moratorium was issued for significant IT investments. This paragraph establishes guidelines for these IT acquisitions.

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#### B

##### Certification

The following AD-700 certification statement should be included on the procurement request, "This requirement is exempt from the IT investments moratorium and is in compliance with the spirit of the moratorium guidance."

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#### C

##### Deviations From Established Information Architectures

In keeping with the spirit of the moratorium, any proposed acquisitions that deviate from each agency's current information architecture, or that might create what is perceived to be an adverse effect on any future Department-wide information architecture, may be disapproved.

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#### D

##### Splitting Requirements

Any proposed acquisition which attempts to circumvent the \$250,000 threshold by splitting requirements will be disapproved.

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#### E

##### Clearinghouse Approval

FSA acquisitions must be approved through the clearinghouse review process. See paragraph 5 to determine applicability to each acquisition.

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### 5 Identifying Acquisitions Requiring Clearinghouse Review

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#### A

##### Background

In April 1996, Rural Development, NRCS, and FSA signed an agreement, "IRM Coordination Plan of the USDA Service Center Partner Agencies (IRM Coordination Plan)". This agreement requires that certain acquisitions must be reviewed and approved by all 3 agencies before acquisition.

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#### B

##### Submitting Acquisitions for Review

ITSD will assist in writing documents and provide for clearance of acquisitions that are subject to the clearinghouse review process.

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## Notice IRM-318

### 6 Moratorium Waivers for IT Acquisitions

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#### A

##### Background

Except for IT acquisitions specifically excluded from the moratorium, no agency may award a contract/order for an IT acquisition until a waiver issued by Department CIO is received by the agency. All FSA waiver requests must be sent directly to FSA CIO. Justifiable waiver requests will be forwarded to the Department CIO for approval.

FSA Administrator must submit FSA waiver requests to the Department CIO, with concurrence from each of the Service Center Agency's CIO and Information Officers through the clearinghouse review process.

FAS Administrator and RMA Administrator must submit waiver requests to the Department CIO through the Under Secretary.

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#### B

##### Preparing Waiver

All waivers:

- must be in a decision memorandum format (See Exhibit 1)
  - should be no more than 3 or 4 pages
  - should include:
    - a justification for the acquisition, including the consequences if the acquisition is not approved
    - a description of the planned acquisition, including security analysis and costs; telecom analysis and cost, Architecture analysis/requirements
    - for hardware or software requests, include a technical description of hardware or software; list of cost, quantity, type, and manufacturer and model (if available); city and State of the office where items will be located; statement that items will conform to USDA architecture
    - for Support Services or Services request, attach list of technical and business requirements; Statement of Work, if available; start and completion dates
    - budget information to include dollar amount of acquisition broken out by FY and IT category, for example, hardware, software, support services, and services
    - an attached copy of the related Information Technology Investment Portfolio (I-TIPS) Entries for Life Cycle Costs.
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**Notice IRM-318**

**6 Moratorium Waivers for IT Acquisitions (Continued)**

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**C  
Waiver  
Considerations**

OMB Memorandum 97-02 states the 8 criteria for managing major information systems. Based on this memorandum, the Under Secretary must ensure that all major information systems, including those for which acquisition waivers are requested, are evaluated against these 8 criteria. These criteria state that all systems should do the following.

No.	Criteria for Managing Major Information Systems
1	Support core/priority mission functions.
2	Ensure no alternative private sector or governmental source can efficiently support the function.
3	Support work processes that: <ul style="list-style-type: none"><li>• reduce costs</li><li>• improve effectiveness</li><li>• make maximum use of commercial, off-the-shelf technology.</li></ul>
4	Demonstrate a significant projected return on investment.
5	Be consistent with Federal, agency, and bureau information architectures.
6	Reduce risk by: <ul style="list-style-type: none"><li>• avoiding custom-designed components</li><li>• using fully-tested pilots, simulations, or prototype implementations</li><li>• establishing clear measures and accountability for project progress</li><li>• securing substantial involvement and buy-in from program officials.</li></ul>
7	Be implemented in phased, successive chunks which are narrow in scope and brief in duration, while being independent of future chunks.
8	Employ an acquisition strategy that appropriately allocates risk between government and contractor.

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## Notice IRM-318

### 7 Responsibilities

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#### A

##### **Waiver Requestor Responsibilities**

In addition to following the standard established rules and regulations about acquisitions, the waiver requestor shall:

- follow the rules issued specifically for the moratorium as stated in this notice
  - follow the guidelines presented in this notice when preparing a waiver request
  - forward requests through approved channels for approval.
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#### B

##### **FSA CIO Responsibilities**

FSA CIO shall ensure that both significant IT acquisitions and other IT acquisitions are conducted in compliance with, and in the spirit of, the moratorium.

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#### C

##### **Agency Administrators and Under Secretary Responsibilities**

Agency Administrators and the Under Secretary shall:

- ensure that both significant IT acquisitions and other IT acquisitions are conducted in compliance with, and in the spirit of, the moratorium
  - evaluate the major information system, supported by the proposed acquisition, according to the 8 criteria in OMB Memorandum 97-02
  - ensure that waivers are for acquisitions included in the investments portfolio approved by EITIRB
  - forward FSA waiver requests to Department CIO
  - forward FAS and RMA waiver requests through the Under Secretary.
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#### D

##### **Department CIO Responsibilities**

The Department CIO shall evaluate all waiver requests to the moratorium. If approved, the Department CIO will send a waiver to the requestor.

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#### E

##### **Head Contracting Authority Responsibilities**

The head contracting authority shall process only actions specifically excluded from the moratorium and those for which a waiver has been approved.

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**INFORMATION TECHNOLOGY MORATORIUM WAIVER REQUEST**

**FROM:** Under/Assistant Secretary  
Departmental Staff Officer  
(or Agency Heads, if Service Center agencies)

**JUSTIFICATION FOR ACQUISITION:**

For all requests include:

- Security analysis/requirements and security costs
- Telecom analysis/requirements and telecom costs
- Architecture analysis/requirements.

For Hardware or Software requests, include:

- Technical description of hardware and software
- List of cost, quantity, type, and manufacturer name and model, if available
- City and State of office where items will be located
- Statement that items will conform to USDA architecture.

For Support Services or Services requests, attach:

- List of technical and business requirements
- Statement of work, if available
- Start and completion dates.

**BUDGET INFORMATION:**

Dollar amount of acquisition broken out by FY and Information Technology category, for example, hardware, software, support services, and services.

Information Technology Investment Portfolio (I-TIPS) Entries of Life Cycle Costs.

**AGENCY CONTACT:**

Name, telephone number, and e-mail address of agency point of contact.

**DECISION BY THE CHIEF INFORMATION OFFICER:**

Approve: \_\_\_\_\_

Disapprove: \_\_\_\_\_

Discuss with me: \_\_\_\_\_

Date: \_\_\_\_\_