DEPARTMENT OF THE NAVY
NAVAL FACILITIES ENGINEERING COMMAND
WASHINGTON NAVY YARD
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WASHINGTON DC 20374-5065

IN REPLY REFER TO

19 Jan 01

From: Commander, Naval Facilities Engineering Command
To: Distribution

Subj: INFORMATION TECHNOLOGY-RELATED PROCUREMENTS

Ref: (a) COMNAVFACENGCOM ltr 9 Nov 00, same subject
(b) ASN (RD&A) ltr dated Oct 19, 2000, same subject

Encl: (1) ASN (RD&A) ltr dated Dec 29, 2000, Information Technology-Related Procurements - Clarification

1. Reference (a) implemented reference (b) for the NAVFAC Claimancy. Enclosure (1) clarifies reference (b) and is provided FYI. This letter replaces reference (a).

2. In light of the NMCI contract award, ASN (RD&A) guidance, and COMNAVFACENGCOM enterprise architecture direction, the NAVFAC CIO has elected to review all NAVFAC Claimancy planned IT resource acquisitions greater than $25,000.

3. For all planned IT resource acquisitions (hardware, software, and/or services) greater than $25,000, activities must submit via email the following information:

a) IT resource requirement (with enough detail to allow determination of resource availability under the NMCI contract)
b) Cost (initial and recurring)
c) Timeframe (delivery for hardware and software; duration for services)
d) Estimated award date
e) A statement as to whether or not the IT resources are essential to successful execution of a command or program initiative.

4. Following receipt, the CIO will review activity submissions for consistency with the NAVFAC enterprise architecture and either:

a) Approve the acquisition plan as is if it does not require HCA approval in accordance with enclosure (1) and reference (b),
b) Recommend HCA approval of the acquisition if required by enclosure (1) and reference (b),
c) Recommend an alternative course of action, or
d) Disapprove the IT action.

5. CIO will advise activities of the disposition of new requests as well as items previously submitted per reference (a).

6. The CIO POC for email submission of IT resource requirements is Mr. Alvin Mitchell, (202) 685-9035, mitchellae@navfac.navy.mil. The Acquisition POC is Mr. Paul Miller, (202) 685-9221, millerpb@navfac.navy.mil.

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**DEPARTMENT OF THE NAVY**
**OFFICE OF THE ASSISTANT SECRETARY**
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**1000 NAVY PENTAGON**
**WASHINGTON DC 20350-1000**

DEC 29 2000

MEMORANDUM FOR DEPARTMENT OF THE NAVY HEADS OF CONTRACTING ACTIVITIES (HCA'S)

Subj: INFORMATION TECHNOLOGY-RELATED PROCUREMENTS - CLARIFICATION

Ref: (a) ASN(RDA) memo dated October 19, 2000, same subject

The purpose of this memorandum is to clarify and simplify requirements set forth in reference (a).

Reference (a) requires HCA's, with limited delegation authority, to review Information Technology (IT) procurements in excess of $25,000 to ensure that activities only procure IT capabilities that are not available under the NMCI contract in time to satisfy command or program initiatives. In instances where the IT requirement originates in an activity not under the HCA's command, the HCA may not be well positioned to determine whether, or when, specific hardware, software, or IT services are needed to support successful execution of the originating command's initiatives. In view of this, HCA's are encouraged to delegate review authority to appropriate individuals in requiring activities outside their own commands. In the event of such delegation, the requiring activity must provide the purchasing office with evidence of the reviewing official's approval before award of the contract or purchase order.

Reference (a) also requires that the NMCI PCO verify that the NMCI contract delivery schedule cannot be modified to accommodate a specific need, before a reviewing official determines that IT capabilities that are generally available under the NMCI contract will not satisfy the requirement based on the NMCI contract delivery schedule. The NMCI PCO has now determined that there is very little likelihood that the contract delivery schedule can be modified to accommodate earlier implementation of specific capabilities at individual activities. Therefore, the PCO's verification that the contract delivery schedule cannot be modified is no longer required.

Activities that are not currently included in the NMCI transition plan (i.e., activities outside the continental U.S., other than those in Guantanamo Bay, Puerto Rico, Japan, Guam, Hawaii and Iceland) were not exempted from the review requirement imposed by reference (a). This inclusion was intentional because the Department does intend to eventually expand NMCI services to these activities if and when specific country agreements can be arranged to permit such an expansion. However, since there is no firm transition plan for these OCONUS activities, this review policy is hereby modified to recognize and accommodate these activities' ongoing IT support requirements. Specifically, for these OCONUS claimants, the review and approval process is waived until twelve months prior to a scheduled NMCI

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transition date. For example, if an FY 03 transition to NMCI services were planned, the review and approval of future IT procurements would not be necessary during FY 01 and would only be required in FY 02 and subsequent years. Because the underlying rationale for reviews continues to be germane, IT procurements should be evaluated prior to award to ensure that resulting contracts for IT services do not bind the Government for long periods without an appropriate exit strategy that will accommodate future NMCI implementation. Similarly, requiring and contracting officials should ensure that procurements of IT infrastructure are limited, to the extent feasible, to current and future short-term needs, rather than longer-term major growth requirements which may ultimately become available under the NMCI contract.

Although the NMCI contract does not contain priced items related to support or improvement of legacy systems, the contract does include provisions allowing the NMCI contractor to perform such efforts. To utilize this feature of the contract requires the submission of a specific statement of work to the contractor who in turn prepares a separately priced item for consideration by the contracting officer. With respect to such requirements, the NMCI contractor is not a mandatory or preferred source and DoN activities may obtain legacy system support and improvement from other sources. In such cases, selection of a contractor should be determined considering the best value to the Government. This process for procurement of legacy system support is provided as an example and should be applied as well to procurement of other services which are listed and not priced in the NMCI contract.

In reviewing a purchase for potential duplication with capabilities available under the NMCI contract, a Program Executive Officer (Information Technology) representative or a Command Chief Information Officer representative may be consulted as a source of information regarding NMCI capabilities and their availability. They may also be consulted concerning the latest version of the DoN approved implementation plan.

H. Lee Buchanan
Assistant Secretary of the Navy
(Research, Development & Acquisition)

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