



DEPARTMENT OF THE NAVY
OFFICE OF THE ASSISTANT SECRETARY
RESEARCH, DEVELOPMENT AND ACQUISITION
1000 NAVY PENTAGON
WASHINGTON DC 20350-1000

OCT 18 2002

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

Subj: INFORMATION TECHNOLOGY-RELATED PROCUREMENTS

Ref: (a) ASN(RDA) memo dtd October 19, 2000, same subject
(b) ASN(RDA) memo dtd December 29, 2000, same
subject

1. This memorandum supercedes requirements set forth in references (a) and (b).
2. The Navy Marine Corps Intranet (NMCI) transition is underway and Commands have begun transitioning their current networks to NMCI. To ensure a continued smooth transition period, and to avoid the potential for duplication of expenditures for Information Technology (IT) capabilities that are available under the NMCI contract, it is essential that all Navy and Marine Corps contracting activities continue to monitor, and control the award, modification, and use of other IT contracts. Therefore you are directed to:

(a) Review all prospective IT procurements in excess of \$25,000 up to and including \$1,000,000 (over the life of the contract) including orders to be placed on existing contracts by activities under your cognizance. All such contracts approved for award shall be reported to the NMCI Procuring Contracting Officer (PCO) to be reviewed for possible inclusion in future NMCI contract modifications as appropriate.

(b) Submit requirements statements for all such prospective procurements exceeding \$1,000,000 in value (over the life of the contract) to Deputy Assistant Secretary of the Navy (DASN) (Acquisition and Business Management (ABM)) and DASN (C4I) via the NMCI PCO for technical requirements review. Requirements statements shall:

(1) be forwarded as soon as possible in order to prevent schedule based default decisions.

Subj: INFORMATION TECHNOLOGY-RELATED PROCUREMENTS

(2) provide justification of the timeline for the needed capability and how the alternative contract will provide the capability faster.

(3) provide an acquisition plan for transitioning the procured capability to NMCI as appropriate.

(c) Conduct such reviews prior to issuance of a solicitation if feasible, but in any event, prior to purchase, modification or award of a contract. The requirement for reviews shall remain in effect until activities have fully transitioned to NMCI.

(d) Not award any new requirements-type contracts for IT capability (hardware, software, or services) that is available under the NMCI contract.

3. Specifically excluded from these reviews are purchases/orders:

- for Local voice services
- that deal with Top Secret or compartmentalized information
- that involve cryptologic related activities as they relate to national security systems
- for computer resources, both hardware and software, that are physically part of, dedicated to, and essential in real time to the mission performance of a weapons system or a shipboard system related to the Information Technology for the Twenty-First Century (IT-21) effort. (Note: Shore-based embarkable/deployable workstations, portable computers, laptop computers, etc. are not included in this exemption.)

4. Reviews should ensure that prospective purchases/contracts are only for IT capabilities that are unavailable under the NMCI contract, and the proposed contract action(s) meet one of the following criteria:

Subj: INFORMATION TECHNOLOGY-RELATED PROCUREMENTS

(a) The HCA determines that specific hardware, software, or IT services are essential to successful execution of a command or program initiative and it is clearly needed before it can be delivered under the NMCI contract. The NMCI Procuring Contracting Officer (PCO) must verify that the delivery schedule cannot be modified to accommodate this need; or

(b) The proposed contract action(s) is (are) for IT services for which the period of performance will expire before the requiring activity transitions to NMCI (or within a reasonable time thereafter, as agreed to by the NMCI government management office and the requesting official).

5. Review authority may not be delegated below the level of the Commander of the HCA.

6. Since there is no firm transition plan for activities outside of the continental United States, reviews are waived until twelve months prior to a scheduled NMCI transition date.

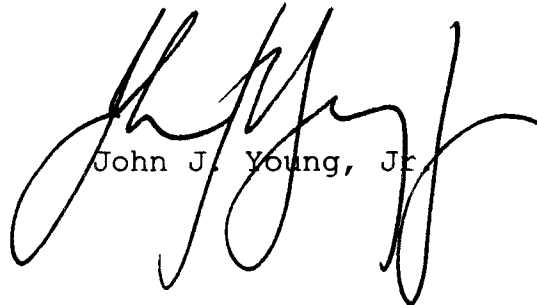
7. In any case, all applicable IT procurements should be evaluated prior to release for competition or award to ensure resulting contracts for IT services do not bind the Government for long periods without an appropriate exit strategy that will accommodate future NMCI implementation. Similarly, requiring and contracting officials should ensure that procurement 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

Subj: INFORMATION TECHNOLOGY-RELATED PROCUREMENTS

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.

8. In reviewing a purchase for potential duplication with capabilities available under the NMCI contract, the NMCI PCO, Debbie Streufert at (703)685-5508, should be consulted as a source of information regarding NMCI capabilities and their availability. The NMCI Director's office may also be consulted concerning the latest version of the DON approved implementation plan and NMCI execution schedule.

9. Questions regarding this policy should be directed to one of the DASN(ABM) representatives, Mr. Jim Ermerins at (703)602-2322 or by email at ermerins.james@hq.navy.mil or to Ms. Katherine A. Petersen at (703)602-2797 or by email at petersen.katherine@hq.navy.mil, and to the DASN(C4I) representative, Mary Ann Engelbert at (703)602-6547.



John J. Young, Jr.

Copy to:

COMNAVAIRSYSCOM (2.0)
COMNAVFACENGCOM (ACQ)
COMNAVSEASYSYSCOM (02)
COMNAVSUPSYSCOM (02)
COMSPAWARSYSCOM (02)
CNR (02)
COMSC (N10)
DC/S I&L HQMC (MC-LB)
DIRSSP (SPN)
AGC (RDA)
DASN (C4I)
PEO-IT
DIR NMCI
DON CIO
OPNAV N604