

**Functional Series 500  
Management Services**

**INTERIM UPDATE #25**

**SUBJECT: Information Technology (IT) Incidental Procurement Procedures for USAID/W, to be included in ADS Chapter 546, Acquisition of OE-Funded IT Resources**

**REVISED: Please note and adhere to the following change in the paragraph entitled SHIPPING/INVENTORY INSTRUCTIONS FOR ALL IT PURCHASES.**

**POLICY**

**USAID/General Notice  
M/IRM  
01/11/2000**

**SUBJECT: Information Technology (IT) Incidental Procurement Procedures for USAID/W, to be included in ADS Chapter 546, Acquisition of OE-Funded IT Resources**

**REFERENCE: Series 500 Interim Update #20 (previously #47), Use of Purchase Card in USAID/W Under \$2,500 Bureau/Administrative Budgets, issued 5/13/99 and Agency Information Notice, Transfer of Funds to M/IRM for Information Technology Hardware and Software Purchases, issued 8/27/98**

## **OBJECTIVE**

To outline the procedures for the acquisition of Information Technology (IT) commodity procurements that have a dollar value of less than \$25,000. Purchases of IT commodities with a purchase value of less than \$25,000 are classified by USAID as IT Incidental Procurements. Information Technology includes computer hardware, software, and support services. (See Endnote 1)

## **BUDGET CONSIDERATIONS FOR IT RESOURCES**

Major procurements of Agency standard hardware and software are budgeted and purchased using the Bureau for Management, Office of Information Resources Management (M/IRM) IT Support Budget. Each Agency organization shall prepare and submit to the Bureau for Management, Office of Budget (M/B) its budgetary requirement for IT resources during the Bureau Program and Budget Submission (BPBS). M/IRM is responsible for the major IT requirements (e.g., servers, desktop PCs, printers) of the Agency. However, during the fiscal year, individual Bureaus/Offices may use their own funds for small IT requirements such as laptops and software that are unique to that particular Bureau/Office.

## **TECHNICAL APPROVAL/GUIDANCE REGARDING ACQUISITION VEHICLES**

Without exception, all IT hardware and software items purchased for installation on the Agency network, regardless of the dollar value, must be consistent with USAID IT configurations and established standards. All Incidental IT Procurements must receive technical approval from Bureau for Management, Office of Information Resources Management, Telecommunications/Computer Operations Division (M/IRM/TCO) if the hardware or software is to be installed on the Agency network. If IT items being purchased will not be installed on the Agency network, M/IRM/TCO technical clearance is not required. Purchases made directly from the USAID Blanket Purchase Agreements (BPAs) are exempt from the technical approval process, as these items have already been approved. This process confirms that the end-user's request is an appropriate technical specification and that IRM resources are available to install, support, and maintain the equipment and/or application.

In order to provide more flexibility in acquiring computer hardware and software, USAID/W Bureaus and Offices can order IT products from a variety of General Services Administration (GSA) schedule holders. An M/IRM/TCO staff member will conduct a technical review of the IT request to ensure that it is consistent with current Agency configurations, if it is not on a BPA. If the IT purchase requirement is not technically acceptable, M/IRM/TCO will recommend or provide alternatives to make the IT requirement consistent with current M/IRM direction. If the item requested is acceptable, the requestor will be notified to proceed with the acquisition. M/IRM/TCO will also consult with the requestor to determine the most appropriate acquisition vehicle for the purchase.

The following section on Acquisition Alternatives has a specific technical approval process for each alternative.

### **ACQUISITION ALTERNATIVES**

#### **1) Incidental Procurements under \$2,500**

The Federal Acquisition Streamlining Act of 1994 initiated the purchase card program to handle a new category of procurements classified as Micro Procurements, purchases that fall under \$2,500. USAID/W Bureaus and Offices are authorized to use their Purchase Cards for individual IT purchases under \$2,500.

**Technical Approval:** Technical approval will be acquired by the exchange of e-mails with the M/IRM/TCO Desktop Manager (currently Jane Bise). The Desktop Manager will also advise the requestor on whether the purchase may be made against USAID's Blanket Purchase Agreements (BPAs). Refer to the section on BPAs for further information.

## **AWACS/NMS Specific Instructions for the Purchase Card Orders \$2,500 or less:**

It is critical for all USAID/W Bureaus/Offices to enter purchase card obligations and commitments into the AWACS Funds Management Module.

### **Purchase Card Commitments**

See commitment procedures under the Series 500 Interim Update #47, dated 5/13/99, entitled "Use of the Purchase Card in USAID/W Under \$2,500 Bureau/Office Administrative Budgets." A Bureau/Office purchasing office supplies, software, or hardware for \$2,500 or less will use one commitment, one obligation, and two resource categories per card holder.

When purchasing IT, Bureau/Offices will use the appropriate IT Resource Category Code (RCC) as noted below.

- a) Operating Expense (OE) Funded 260321 Office Supplies and Materials
- b) OE Funded 310204 End User Hardware
- c) Program Funded 260460 Office Supplies and Materials
- d) Program Funded 310461 Program Equipment

The RCC information is used to prepare required reports to the Office of Management and Budget (OMB) by resource category and respond to numerous questions received regularly from OMB and Congress.

### **Purchase Card Obligation Procedures for IT Purchases**

For the first IT purchase. The first obligation will show resource category 260321 for OE funded office supplies and materials or 260460 for program funded office supplies and materials. For IT purchases you will have to add a new line item using RCC 310204 for OE and 310361 for program funds as stated above. Additional purchases will only require upward adjustments to the commitments or obligation line items.

The obligation number will be recorded using the prefix CC-00- plus the last four digits of the corporate account number (CC=Credit Card)(00 = FY 2000). Bureaus/Offices that have more than one cardholder with the same corporate account number will add an alpha character to the obligation. For example, if the last four digits of the corporate account number is 0999, cardholder number one or the first person entering an obligation will record the obligation as CC-00-0999. The second cardholder will record the obligation as C-00-0999A.

The first IT purchase by a cardholder in the Bureau/Office will establish an "obligation account" for that cardholder by recording the initial obligation in NMS AWACS.

In other words, there is one rolling obligation under a cardholder's commitment. Separate commitments are not created for each IT purchase that uses the same Resource Category Code. Enter the purchase amount into NMS/AWACS promptly after the purchase is made.

## 2) **Incidental Procurements from \$2,500 up to \$25,000**

**Technical Approval:** Initial technical approval is acquired by the exchange of e-mails with the M/IRM/TCO Desktop Manager (currently Jane Bise). The Desktop Manager will also advise the requestor regarding the acquisition vehicle. IT procurements can be processed through the Bureau for Management, Office of Procurement (M/OP) or through an interagency agreement with the GSA/Federal Systems Integration and Management Center (FEDSIM). IT procurement requests in this dollar range that will be sent to M/OP must be entered into the NMS/Small Purchase Module. The requestor must staff all Acquisition & Assistance/Small Purchases IT procurement actions to the M/IRM/TCO Desktop Manager and shall concurrently notify her by e-mail that an NMS action has been entered.

### **Acquisition & Assistance Small Purchases Module/NMS Specific Instructions for the Purchase Orders from \$2,500 to \$25,000:**

It is critical for all USAID/W Bureaus/Offices to enter purchase order obligations and commitments in Acquisition & Assistance Small Purchases Module.

**Basic Purchasing Agreements (BPAs):** For all IT procurement requirements valued at less than \$25,000, IRM recommends the use of the (BPAs) awarded by GSA/FEDSIM. To facilitate the procurement, M/IRM provides specifics on BPA products on the USAID Intranet at the following address:  
<http://www.usaid.gov/M/IRM/BPA>.

**Benefits of the BPA Use:** The BPAs offer competitive pricing, faster delivery and convenience by eliminating the time consuming search for pricing from alternative procurement sources. Use of the BPAs also promotes adherence to USAID IT configuration standards for Year 2000 (Y2K) and the desktop.

**Who can use the BPAs?:** All USAID headquarters Bureaus and Offices can procure their IT requirements for less than \$25,000 using the BPAs. M/IRM/TCO coordinates with FEDSIM on a regular basis to update the BPAs to reflect updated standard IT configuration offerings and end users requests. Guidance regarding the use of the BPA's was issued in Agency Information Notice, Transfer of Funds to M/IRM for Information Technology Hardware and Software Purchases, issued August 27, 1998

**How to use the BPAs:** Using the BPAs requires Bureaus/Offices to transfer funding to the Bureau for Management, Office of Information Resources Management, Planning,

Management, and Acquisition Division (M/IRM/PMA). You must advise M/B the amount you want transferred to the IT Support Budget no later than September 10th of each fiscal year. M/IRM will obligate the funds via an interagency agreement with the GSA/FEDSIM.

## **SHIPPING/INVENTORY INSTRUCTIONS FOR ALL IT PURCHASES**

Bureaus/Offices must work with M/IRM to maintain an up-to-date IT inventory. Each Bureau/Office shall prepare the required purchase documents including funding source indication of OE or Program and forward them through normal channels. A copy of the final purchasing documents must be faxed to the attention of the IRM/TCO Desktop Manager at 202-216-3913 to enable M/IRM to coordinate delivery, receipt and installation. Without exception, all incidental IT procurements shall be shipped to the following centralized receiving address:

CSC/USAID  
14705 F Willard Road  
Chantilly, Virginia 20151  
Attn: Ed Clark/Matt Brewer (202) 712-1354

The centralized receiving, inspection, and acceptance functions provide formal evidence of receipt of property to justify payment of invoices. In addition, this information is used for inventory, warranty service, and maintenance purposes. Centralized receiving provides for the verification and collection of inventory and warranty data before IT resources reach the end user.

The following steps apply to all shipments received by USAID PRIME (CSC) personnel:

- 1) Upon receipt of a shipment, the number of pieces delivered is verified against the carrier's (shipping agent) bill of lading (delivery receipt).
- 2) Contents of shipment are inspected against the vendor packing list or purchase order for quantity verification, damages, and discrepancies. If delivery consists of serialized hardware (i.e., computers or printers) the serial numbers are verified against the packing list. If discrepancies are found, the vendor is contacted regarding the discrepancies and corrective measures are initiated by the CSC Receiving Agent.
- 3) Applicable equipment (serialized hardware) is barcoded with government property tags which are cross-referenced with the hardware serial number. Entries are made into the Material Management inventory control database for all items received to allow asset-tracking capability. Program funded equipment is barcoded with a special label and entered into the inventory control system as Program funded.

- 4) The end-user is notified of material delivery, and all material is held in the warehouse until shipment is requested. Expected turnaround time is 24 hours for normal delivery. At that time the material is hand delivered along with payment recommendation from the PRIME.
- 5) Vendor packing lists are filed and maintained as receiving records at the warehouse.

The PRIME will notify ordering offices of any problems with the order once it is received. The ordering offices will be responsible for resolving any and all problems regarding their purchase except serial number discrepancies.

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Endnotes:

1 Information Technology (IT) - Any equipment or interconnected system or subsystem of equipment that is used in the automatic acquisition, storage, manipulation, management, movement, control, display, switching, interchange, transmission of reception of data or information by the executive agency. For purposes of the preceding sentence, equipment within an executive agency is associated with corporate or business operations which (i) requires the use of such equipment or (ii), requires the use to a significant extent, of such equipment in the performance of a service or the furnishing of a product.

- IT includes computers, ancillary equipment, software, firmware, and similar procedures and services (including support services), and related resources.
- IT does not include equipment acquired by a Federal contractor incidental to the performance of a Federal contract. IT does not include program-funded IT unless it is used and controlled by USAID.

Point of Contact: Any questions concerning this Notice may be directed to Sharon Zavestoski, M/IRM/PMA, (202) 712-0179.

Notice 0112

File name	Notice Date	Effective Date	Editorial Revision Date	ADS CD No.	Remarks
IU525_011300.doc	01/11/2000	01/11/2000	N/A	ADS CD 18	New
IU525_091100_cd21	N/A	08/15/2000	09/11/2000	ADS CD 21	Revision to mailing address
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